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DPRK, IAEA 'Failed to Make Any Progress' in 2d Round

SK1101002594 Seoul YONHAP in English 0017 GMT 11 Jan 94

[Text] Vienna, Jan. 10 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) held a second official working-level contact Monday [10 January] but failed to make any progress on arranging IAEA inspection of North Korean nuclear facilities.

Yun Ho-chin, a councilor at the North Korean Embassy in Vienna, represented his country at the two-hour talks, in which the IAEA explained technical details of the need to maintain continuity in surveillance materials in response to the North Korean position conveyed at the first meeting Friday [7 January].

The IAEA presented its explanation and demands to the North Korean side on paper.

"The North Korean representative and the IAEA had a working-level contact to discuss problems of inspection on North Korea's reported nuclear facilities on Monday," IAEA Spokesman Hans Meyer said.

"At the meeting, the IAEA has conveyed technical requirements (for the inspection) to the North Korean side."

Meyer declined to disclose further information.

One IAEA source said, however, the IAEA action means that there are differences of opinion on the scope of the inspection on North Korea's seven reported nuclear facilities.

Practical problems such as dispatch of the inspection team could be discussed only after the two sides agree on the scope of the inspection, the source said, requesting anonymity.

At Friday's meeting, North Korea told the IAEA that it would not accept inspection of two sites, a radiochemical laboratory that is in effect a nuclear reprocessing facility and a 5-megawatt reactor, another IAEA source said.

As a result, the two sides are standing far apart as the IAEA demands opening of those two facilities as well, the source said.

Spokesman David Kyd, meanwhile, said that the IAEA does not expect immediate progress in the problem of inspection on two unreported sites believed to be nuclear waste storage facilities.

The two sides are expected to resume their talks this week.

IAEA Delivers Technological Checklist

SK1001232394 Seoul KBS-1 Radio Network in Korean 2210 GMT 10 Jan 94

[Report by Cha Man-sun from Vienna]

[Text] During a working-level contact with North Korea on 10 January, the International Atomic Energy Agency [IAEA] delivered a technological checklist on the collection of samples from nuclear material and the examination of an operation diary [unyong ilchi] of seven nuclear facilities and requested that North Korea inform the IAEA of its decision on accepting inspections within this week.

The IAEA also informed the North Korean side that in order to inspect seven facilities in accordance with the technological check list, it is necessary that at least six to seven inspectors carry out activities for three weeks.

It was learned that the technological checklist delivered to North Korea includes items on determining if the number and material of the five megawatt-nuclear fuel rods in Yongbyon correspond with what North Korea had previously reported to the IAEA, examining the operation diary, and replacing surveillance equipment.

In particular, it was learned that, if a radiochemical laboratory is a reprocessing facility, the amount of nuclear material remaining in tanks and pipes will be measured. In addition, samples from the laboratory will collected and inspectors will check sealed devices and replace surveillance equipment. Public attention is focused on the North Korean response, which is expected in two or three days.

Japan

Hata Promises Stance of 'Independence' in Trade Talks

OW1101035294 Tokyo KYODO in English 0310 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan will take spontaneous actions rather than depend on foreign pressure to conclude the stalled framework trade talks with the United States, Foreign Minister Tsutomu Hata said Tuesday [11 January].

Hata told a news conference that there are priority areas in the ongoing trade framework talks with the United States and that Tokyo wants to do its utmost to come up with good results.

Japan will negotiate with the United States with independence and will keep in mind the improvement of Japanese living standards, and not just place importance on its relation with the United States, he said.

Hata also called for U.S. efforts in bringing the bilateral talks to a successful conclusion.

He countered U.S. calls for Japan to boost market shares of foreign goods to the level of other industrialized nations, saying there is agreement on free trade.

Kumagai Rejects Solution of Managed Trade

OW1101032594 Tokyo KYODO in English 0300 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan's trade minister suggested Tuesday [11 January] that Tokyo will reject U.S. calls for administrative guidance to reduce its trade surplus.

International Trade and Industry Minister Hiroshi Kumagai said at a press conference, "We cannot practice managed trade or allow administrative guidance only to reduce the surplus with the United States by using double standards at home and abroad."

"The government of (Prime Minister Morihiro) Hosokawa is trying to create transparency in markets," Kumagai said.

Referring to reported U.S. criticism that bilateral trade framework negotiations have faced hard going due to Japan's bureaucracy, Kumagai said that bluff or dissatisfaction may be expressed when negotiations reach the final stage.

"At least, I don't think the Ministry of International Trade and Industry insists on its own logic being accepted," Kumagai said.

Hatoyama, Spero Discuss Bilateral Trade Talks

OW1101104894 Tokyo KYODO in English 1013 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—A senior U.S. official urged Japan on Tuesday [11 January] to make efforts for progress in bilateral "framework" trade negotiations, a cabinet official said.

Joan Spero, U.S. under secretary of state for economic and agricultural affairs, made the call in her talk with Deputy Chief Cabinet Secretary Yukio Hatoyama at Prime Minister Morihiro Hosokawa's official residence.

During the 45-minute talk, Spero said she understands well that Hosokawa has been focusing on political reform but demanded that Tokyo work to produce favorable results of the bilateral trade talks once the domestic task is completed, the official said.

Pinpointing priority fields in the negotiations, including automobiles and auto parts and the Japanese Government procurement of U.S. equipment, the U.S. under secretary reportedly sought Tokyo's efforts to achieve progress in such fields.

Hosokawa and U.S. President Bill Clinton are scheduled to meet in Washington on February 11 and assess progress in the framework talks.

Hatoyama voiced hope the bilateral negotiations will be successful with efforts from both sides, the official said.

Saying the Japan-U.S. trade talks should be two-way talks, Hatoyama also reportedly told Spero that Tokyo is opposed to the setting of numerical targets to measure the openness of Japan's markets.

The deputy chief cabinet secretary also noted that the Japanese Government cannot promise anything out of its reach in the talks on the opening of its markets, the official said.

Spero responded that Washington is only insisting on setting "quantitative and qualitative indicators" to gauge improvement in U.S. access in Japanese markets, the official said.

U.S. Senator Voices Hope on Trade Talks

OW1101074094 Tokyo KYODO in English 0723 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—A U.S. senator voiced hope Tuesday [11 January] that Japan and the United States can achieve some progress in bilateral trade talks in February, a Foreign Ministry official said.

Sen. John Rockefeller IV said in a meeting with Prime Minister Morihiro Hosokawa that the U.S. Congress will focus its attention on a meeting between President Bill Clinton and Hosokawa scheduled for February 11 as a "checkpoint" of bilateral trade ties, the official said.

The Democratic senator elected from West Virginia also reportedly said the U.S. legislature hopes the two leaders can chart a new future course for U.S.-Japanese trade relations at the planned talks.

The statement apparently means the U.S. Congress wants some progress in trade negotiations between Washington and Tokyo, which are being held under the bilateral trade framework agreement reached last July.

While acknowledging the importance of progress in the trade negotiations, Hosokawa touched on the need for efforts from both sides, the official said.

Calling Clinton and Hosokawa reform-oriented leaders, Rockefeller said he is pleased with Hosokawa's emergence as a new leader in Japanese politics and that he wants to be a friend of the premier, according to the officials.

Rockefeller told reporters after the meeting that his talks with the premier were "just a private conversation."

Russian Kuril Islands Group Visits Sapporo

OW1101061294 Tokyo KYODO in English 0550 GMT 11 Jan 94

[Text] Sapporo, Jan. 11 KYODO—Visa-free exchanges of visits between Russians from a group of disputed islands off Hokkaido and Japanese have brought Russian islanders to a point where they no longer view Japan as an enemy state, the leader of a delegation of islanders said Tuesday [11 January].

Kuril District Administration Chief G. Dolin, assessing the results of two years of visa-exempt exchanges, said, "the fact that we islanders have stopped viewing Japan as an enemy is the most important change."

Speaking at a press conference in Sapporo, the capital of Hokkaido, Dolin said friendships have developed between Russians and Japanese, while the views of the Russians on the territorial dispute have moved closer to those of the Japanese.

The Russian delegation arrived in Sapporo on Sunday for a six-day stay in Hokkaido and Tokyo to coordinate a plan for visa-free group exchanges between neighboring regions of the two countries this year.

South Kuril District Chief N.A. Pokidin pledged at the press conference that efforts would be made to expand access for former Japanese residents and their relatives to graves dating from before the Russian takeover of the disputed islands.

The four islands—Kunashiri, Etorofu, Shikotan and the Habomai islets—were seized by Soviet forces at the end of World War II and subsequently repopulated by Russians.

Russian refers to them as the South Kurils, while Japan calls them its northern territories.

Hosokawa Lauds Ukraine Removal of Nuclear Arms

OW1101031394 Tokyo KYODO in English 0230 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Prime Minister Morihiro Hosokawa on Tuesday [11 January] welcomed Ukraine's tentative agreement to completely remove nuclear weapons from its soil.

"That is a very fine thing," Hosokawa told reporters.

Hosokawa's remarks came after U.S. President Bill Clinton announced Monday in Brussels that Ukraine will sign an agreement with Russia and the United States on Friday on the scrapping of its 176 intercontinental ballistic missiles and 1,800 warheads.

A government source noted that the fate of nuclear weapons left on Ukrainian soil after the disintegration of the Soviet Union has served for some time now as a source of anxiety.

The source called it "good news" that Ukraine will agree to remove them.

But when asked about the prospect for Japanese technical or financial assistance in helping Ukraine with that task, the source replied that no such assistance is planned.

Tokyo Approves 1.57 Billion Yen for Cambodia

OW1101082794 Tokyo KYODO in English 0811 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan will extend a total of 1.57 billion yen to Cambodia to help with projects to improve water supplies and sewage systems in Phnom Penh and to repair a road construction center, the Foreign Ministry said Tuesday [11 January].

The latest offering brings total Japanese aid to Cambodia for this fiscal year to 7.9 billion yen, the ministry said.

The assistance includes 98 million yen to repair and expand a water purification plant and construct conduit pipes, it said.

It also includes up to 59 million yen to purchase equipment to repair the road construction center, it said.

Foreign Ministry Announces Aid to Rwanda

OW1001122394 Tokyo KYODO in English 1202 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Japan is to extend a total of 762 million yen to Rwanda for debt relief and to help ease its economic difficulties, Foreign Ministry officials said Monday [10 January].

Officials of the two governments exchanged notes on the assistance in Nairobi, Kenya, they said.

The aid includes 461 million yen for a project to buy equipment to maintain national roads, and 300 million yen to promote economic structural reform efforts and to ease economic difficulties including debt problems.

Also included is 1.81 million yen to cover debts for which repayment fell due in the latter half of fiscal 1992, ended last March, but on which capital and rescheduled interest has not yet been paid, they said.

Japan-UK 2000 Group To Meet in London

OW1101100594 Tokyo KYODO in English 0825 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—A private forum between Japan and Britain will hold its meeting from Friday to next Monday in London and Newport, Wales, to discuss security, bilateral ties and cooperation on global problems, the Foreign Ministry said Tuesday [11 January].

The Japan-UK 2000 Group, established based on an agreement reached in June 1984 between then Prime Ministers Yasuhiro Nakasone and Margaret Thatcher, will draw 12 participants from Japan and 19 from Britain, the ministry said.

Hisashi Owada, an adviser to the foreign minister, will also attend as a special guest, it said.

The participants will discuss security, bilateral economic relations, cultural and educational interchange, bilateral cooperation on common global problems, and future bilateral ties, and report the results of the discussions to the heads of government of both countries, it said.

The group has been holding meetings annually since 1985, alternately in each country.

To commemorate the 10th anniversary of the establishment of the group, a symposium will be cosponsored with the Royal Institute for International Affairs on January 17 and 18 in London, the ministry said.

British Foreign Secretary Douglas Hurd will deliver a keynote address at the symposium, while Owada will also give a speech on behalf of Japanese Foreign Minister Tsutomu Hata, who was initially scheduled to attend.

Police Seek Arrest of Alleged Thai Smugglers

OW1101051294 Tokyo KYODO in English 0356 GMT 11 Jan 94

[Text] Kumamoto, Jan. 11 KYODO—Police have obtained an arrest warrant for two crew members of a Thai freighter who are suspected of helping to smuggle 19 Thai men into Japan, police officials said Tuesday [11 January].

According to investigators, the two crew members are suspected of violating the immigration and refugee recognition law by helping the Thai men slip into Japan when the freighter Jutha Jessica docked at Misumi, Kumamoto Prefecture on January 5.

The freighter left Misumi in Kumamoto Prefecture on Saturday and arrived in Hachinohe, Aomori Prefecture, on Tuesday.

Kumamoto police searched the ship for evidence that the crew members had violated the immigration laws and questioned the freighter's crew.

Tokyo To Host Population, Development Forum

OW1101110194 Tokyo KYODO in English 0959 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan will cosponsor an eminent persons' meeting on the subjects of population and development on January 26 and 27 in Tokyo, Foreign Ministry spokesman Terusuke Terada said Tuesday [11 January].

The meeting will formulate its recommendations to a UN-sponsored conference in Cairo next September.

Some 20 high-level scholars, academics and political leaders who are well-versed in the problems of population will attend the meeting at the UN University in Tokyo, Terada said.

Participants will include such prominent figures as Norwegian Prime Minister Gro Harlem Brundtland, former Mexican President Miguel de la Madrid, former World Bank President Robert McNamara and Taro Nakayama, former Japanese foreign minister.

The meeting is to be held under the cosponsorship of the U.N. Population Fund (UNFPA), the UN University and the Foreign Ministry.

Japanese Prime Minister Morihiro Hosokawa will address the opening ceremony.

The participants are expected to adopt a Tokyo declaration on the closing day.

The deliberations at the meeting will be recommended to the U.N.-sponsored International Conference on Population and Development, which is to be held in Cairo in September to discuss measures for problems related to the rapidly increasing world population.

Terada said Japan is by far the largest donor country for UNFPA, donating 59 million dollars in 1992 and as much as 63 million dollars in 1993.

Team Inspects UN-Protected Area in Croatia

OW1101045294 Tokyo KYODO in English 0433 GMT 11 Jan 94

[Text] Zagreb, Jan. 11 KYODO—A Japanese fact-finding mission to the former Yugoslavia on Monday [10 January] inspected a United Nations protected area and a refugee center in Croatia.

The eight-member Foreign Ministry mission is looking into possible areas for an expanded Japanese contribution to the international efforts under way in the former Yugoslavia.

Shunji Yanai, director general of the ministry's Foreign Policy Bureau, said there is much Japan ought to do in the way of humanitarian assistance, such as helping with refugee camps.

He suggested that Japan could also help with reconstruction after the conflict is over.

The team, which left Japan last Friday, visited an inland UN protected area that is one of four such demilitarized sites set up in Croatia.

They also crossed a cease-fire line between Croatian and ethnic Serbian forces and visited the country's border with Bosnia-Hercegovina at the Sava river.

At each site, the Japanese were briefed by local officers of the UN protection force.

On Tuesday, the mission will visit the besieged Bosnian capital of Sarajevo and meet officials of the government there. They will also visit the Serbian capital of Belgrade and the Macedonian capital of Skopje before returning to Japan on January 17.

Open Bidding System for Public Works Projects

OW1001132894 Tokyo KYODO in English 1308 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—An open bidding system will be introduced in April for state-ordered public works projects, according to a draft of the action program to open Japan's construction market.

The draft, obtained Monday [10 January] by KYODO NEWS SERVICE, said the step will be implemented from April "as much as possible" for public works projects sponsored by the central government and 85 public corporations, including the Japan Highway Public Corporation.

Under the current system, only designated contractors are allowed to participate in bidding for most public works projects, a practice which has drawn much fire from the United States.

Although the draft action program failed to specify the scale of projects which are subject to open bidding, it indicated that the minimum scale is 850 million yen if they are state-ordered.

But the draft did not come up with a clear answer to a U.S. request for bringing down the size of projects sponsored by local governments which will be put to open bidding.

The Japanese Government has proposed the threshold be 2.85 billion yen.

The draft action program was submitted to a meeting of four concerned cabinet ministers earlier in the day before being reported to Prime Minister Morihiro hosokawa.

It will be approved at a cabinet meeting on January 18, which will fulfill a Japanese pledge made last October to hammer out such a program early this year.

The pledge was made in a bid to avert yet another trade row with the U.S., which has threatened to retaliate if Japan fails to take steps to increase foreign access to its construction market by October 31.

The Japanese move helped soften the U.S. stance, persuading it to extend the original deadline to January 20.

The draft plan has been worked out mostly on the basis of recommendations made late December by a government advisory body.

As to public works projects concerning designing and consulting services, areas in which the U.S. has shown particular interest, the plan calls for the introduction of a half-open bidding system under which contractors selected in advance for their technological and other abilities will be qualified to place tenders.

Government sources said designing and consulting works which will be covered by the plan will be worth 85 million yen or more.

To prevent rigging and other types of malpractice, the program proposed the drafting by the Fair Trade Commission (FTC), the nation's antitrust watchdog, of guidelines on bidding by the coming summer.

Under the plan, a cabinet-affiliated body will deal with complaints about bidding procedures and results.

The program, however, failed to touch upon a proposal to halt preferential treatment as agreed bilaterally in 1988 for U.S. contractors in bidding for Japan's major public works projects.

The sources said the failure to deal with the problem is due to differences in opinion among government officials.

Government Considers Raising Tobacco Tax

OW1001122194 Tokyo KYODO in English 1106 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The government is studying the possibility of raising the tobacco tax by about 1 yen per cigarette from April to make up for a revenue shortfall, government sources said Monday [10 January].

The increase, if decided, would be the first since fiscal 1986.

The government is also to consider raising the liquor tax, the sources said.

They said the government's revenue shortfall is expected to widen in fiscal 1994, starting April 1, as the consumption tax on automobile purchases are expected to be lowered to 3.0 percent from the present 4.5 percent from April.

The tobacco tax now stands at 6.252 yen per cigarette.

A 1 yen increase in the tax would raise the government's revenue by about 320 billion yen per year while the reduction in the consumption tax on automobiles will decrease the revenue by about 100 billion yen, the sources said.

Fujii on Consumption Tax, Income Tax Moves

OW1101031994 Tokyo KYODO in English 0201 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—The government will not separate a consumption tax hike from an income tax cut to be included in the new economic stimulus package, Finance Minister Hirohisa Fujii said Tuesday [11 January].

"That's not possible," Fujii told a regular press conference after the morning cabinet meeting.

He was referring to reported comments Monday by a senior government official hinting at an economic package including only an income tax cut in view of the strong opposition by the Social Democratic Party [of Japan] (SDP) [SDPJ] to a consumption tax increase.

The SDPJ, the largest party in the coalition government, decided Monday to set up an action group to call for a large income tax cut without increasing the rate of the consumption tax, now standing at 3 percent.

Fujii also strongly rejected the government official's remarks that a November report by the Tax Commission, an advisory panel to the prime minister, proposing an income tax cut and a consumption tax hike in a single program, could be reviewed.

The finance minister stressed that Prime Minister Morihiro Hosokawa has vowed to "respect the tax panel's report" and this is publicly recognized.

Concerning the timing of the new pump-primer, Fujii reiterated that the Economic Planning Agency is working to have it ready by around mid-January as instructed by Hosokawa.

In press remarks earlier this week, Fujii indicated the government may launch the package on schedule even without including the tax cut, saying "inclusion of a tax cut was unclear" in Hosokawa's instructions.

Turning to the budget, Fujii said the Finance Ministry has never mentioned any intention of compiling a 15-month budget for fiscal 1994, as rumored in some quarters.

He said the ministry just intends to handle a third supplementary budget for fiscal 1993 and the fiscal 1994 budget together.

EPA Chief Pledges Stimulus Steps by Mid-Jan

OW1101031794 Tokyo KYODO in English 0155 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—The Economic Planning Agency (EPA) will do its utmost to formulate a new set of pump-priming measures by mid-January, the agency chief said Tuesday [11 January].

The ruling coalition parties are working hard to iron out their difference on whether to hike the consumption tax to finance an income tax cut, EPA Director General Manae Kubota told a regular press conference.

When a consensus is reached on this "thorny issue," Kubota said, the ruling coalition parties will coordinate their view with the government at a joint economic forum.

The Social Democratic Party [of Japan], the largest in the seven-party coalition, has been strongly opposed to hiking the consumption tax.

FY 1994 Tax Reforms To Focus on 'Unfair' Levies

OW1101112494 Tokyo KYODO in English 1057 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan is to focus its fiscal 1994 tax reforms on unfair levy systems in a bid to win public support on a consumption tax hike, government sources said Tuesday [11 January].

The government will consider such reforms as lowering the tax exemption ceiling for corporate entertainment expenses, raising levy rates on profit-making operations at nonprofit organizations and gradually abolishing the special treatment of medical institutions and seven designated businesses such as mass communications, the sources said.

They said an adoption of punitive heavy taxes is also on the discussion table for unexplained corporate expenditures that are widely suspected of being used in dubious political donations and bribes.

The move is apparently intended to pave the way for raising the consumption tax rate, currently at 3 percent, in line with hearings at six major cities conducted by the Tax Commission, an advisory panel to the prime minister, in November.

Panel members had said the majority opinions at the hearings were for rectifying unfair tax systems before the tax hike.

The hearings were to gather regional opinions on the panel's tax reform report that calls for an income tax cut and a consumption tax hike in a single program.

A Finance Ministry official said, "a huge increase in tax revenues can't be expected" with the reforms on unfair tax systems.

The ministry is strongly insisting that an income tax cut must be financed by a consumption tax hike, thus conflicting with socialists and some other parties within the ruling coalition that are against the tax hike.

This dispute is preventing discussions on including the income tax breaks in the government's fresh economic stimulus package to be launched around January 20.

Meanwhile, the tax panel will resume its talks on fiscal 1994 tax reform on Friday, apparently with settlements looking set for Diet deliberations on political reforms—Hosokawa's top policy priority.

The panel suspended its meetings in mid-December to watch the development in political reforms.

On the entertainment expenses, the government wants to lower the exemption amount to check those companies evading corporate taxes through huge write-offs of such expenses to artificially fall into the red, the sources said.

Currently, entertainment expenses at companies capitalized at 50 million yen and more are levied fully. But 4 million yen is allowed for nontax write-offs as losses for companies capitalized up to 10 million yen, and 3 million yen for companies between 50 million and 10 million yen.

Some government leaders have been calling for the reform in those expenses in or after fiscal 1995, to avoid undermining corporate activities amid the current economic slump.

But the Finance Ministry has been strongly insisting on an early overhaul.

The sources said the government intends to raise the special levy rate, currently at 27 percent, on profit-making operations at religious, educational and other nonprofit organizations by 1 percentage point to 28 percent, the same specially treated rate on medium-size to small businesses.

Clarification of nontax and tax operations will also be considered, the sources said. Currently, for example, donations and charms are tax-exempt for religious organizations, but postcards and parking tolls are subject to taxation.

A staged abolishment is planned for nontax treatments on social security rewards to medical practitioners and lower-tax treatments on mass communications, publications and five other specially designated businesses.

Considering unexplained expenses, recently uncovered bribery scandals underlined practices by Japanese companies using such expenses in political maneuvering.

The government is eyeing a punitive heavy levy as one of the options to stop such practices, but concerns exist over companies taking it as an excuse to write off an unlimited amount of unspecified expenses as long as they pay the heavy tax.

The sources said a final decision on the dubious expenses will be left to the government and the ruling coalition parties to decide.

Minister 'Unhappy' About Lower Retirement Age

OW1101035994 Tokyo KYODO in English 0317 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Labor Minister Chikara Sakaguchi said Tuesday [11 January] that he was unhappy about the action of a major machine tool company in lowering its mandatory retirement age from 60 to 56.

Sakaguchi said the move by Okuma Corp. runs counter to the law governing employment of senior workers that requires employers to make efforts to set the retirement age at 60.

"We as the labor ministry will give instructions," Sakaguchi told reporters at a press conference.

Okuma on Monday said it had lowered its retirement age for employees to 56 in a move designed to cut labor costs.

"It might not stand to reason to interfere with an agreement between labor and management but this is a problem with social implications," Sakaguchi said.

Many Japanese companies are trying to weather the recession by trimming labor costs by means of asking employees to retire voluntarily but Okuma is the first to slash the retirement age.

Farm Minister Urges Lower Price for Imported Rice

OW1101053994 Tokyo KYODO in English 0528 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Japan's farm minister recommends that imported long-grain rice for table use from Thailand should be retailed at half the price of domestic rice, ministry officials said Tuesday [11 January].

Eijiro Hata, minister of agriculture, forestry and fisheries, said at a meeting of cabinet ministers that the retail price of rice from California should be 70 percent of the standard price of Japanese rice and rice from China should be sold at 60 percent of the ordinary domestic rice price.

Japan is importing rice on emergency basis in the current fiscal year due to a bad crop in 1993.

In the meeting, Manae Kubota, director general of the Economic Planning Agency said, retail price-setting should be consumer-oriented and the government should advise retailers to show the year of production of the rice they are selling.

A committee meeting of the Rice Price Council will be held Thursday to discuss the retail prices of such imported rice.

Kubota called on Hata to ensure that the price for rice to be imported from next fiscal year beginning in April under the government's minimum access policy should be set at a council meeting before the government officially decides the price, ministry sources said.

Japan has decided to partially open its rice market under an agreement in the Uruguay round trade talks which were wrapped up in December.

Six Minicar Makers Agree To Standardize Parts

OW1101054594 Tokyo KYODO in English 0511 GMT 11 Jan 94

[Text] Osaka, Jan. 11 KYODO—Six Japanese makers of mini vehicles have reached a basic accord to standardize parts for their products, one of them firms said Tuesday.

Takashi Toyozumi, president of Daihatsu Motor Co., announced the agreement at a news conference.

The six makers are Daihatsu, Honda Motor Co., Mitsubishi Motors Corp., Suzuki Motor Corp., Fuji Heavy Industries Ltd. and Mazda Motor Corp.

Toyozumi said the agreement is aimed at slashing production costs to overcome the long-drawn-out recession.

Defense Chief, Hosokawa To Review Defense Plan

OW1101072094 Tokyo KYODO in English 0659 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Defense Agency chief Kazuo Aichi said Tuesday [11 January] he will consult with Prime Minister Morihiro Hosokawa to review Japan's national defense program outline.

Aichi, director general of the agency, made the remark to reporters after a cabinet meeting on the issue.

"I will consult with Prime Minister Hosokawa on arranging the reviews. We must go ahead with the work within the understanding of one another on the issue," he said. He admitted that relations between the prime minister and the agency on the issue were insufficient.

The prime minister has voiced his intention to set up his advisory panel to review the defense program outline and to reach a conclusion by around summer.

But some Defense Agency officials have opposed Hosokawa's proposal.

Aichi hinted at a meeting with Hosokawa in February after political reform bills are enacted. The bills are expected to pass through the Diet by the end of the current Diet session on January 29.

The cabinet of Former Prime Minister Takeo Miki drafted the defense plan in 1976, which outlines the need to arrange armed forces through numerical targets.

Since then the agency has drafted midterm, five-year defense buildup programs based on the outline.

Japan has considered reviewing the defense outline since the Soviet Union collapsed in 1991.

Pro-Seoul Group Head Attends SDPJ Convention

OW1101110394 Tokyo KYODO in English 0953 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—The president of the pro-Seoul Organization of Koreans in Japan attended the convention of the Social Democratic Party [of Japan] (SDP) [SDPJ] on Tuesday [11 January] for the first time since the 1955 birth of the Japanese party.

The SDPJ, the largest force in the seven-party coalition government of Prime Minister Morihiro Hosokawa, has traditionally had friendly ties with North Korea.

Chung Hae ryong [name as received], president of the Korean Residents Union in Japan (Mindan), gave an address to SDP representatives on the first day of the two-day convention.

But the leader of the pro-Pyongyang General Association of Korean Residents in Japan (Chongnyun)—effectively a Tokyo-Pyongyang contact channel as North Korea and Japan have no diplomatic relations—did not attend the SDPJ convention.

Moreover, the Workers' Party of North Korea has not sent the SDPJ a congratulatory telegram for the convention as it always had previously, SDPJ officials said.

The development is regarded as an expression of Pyongyang's disapproval of the move by the SDPJ, which has gradually shifted its stance toward South Korea since joining the coalition in August.

Former SDPJ Chairman Sadao Yamahana, who is currently state minister in charge of political reform, visited South Korea in September last year, the first time the head of the SDPJ has done so.

The SDPJ has also adopted a new foreign policy which includes a balanced stance toward South and North Korea.

Greenpeace Steps Up Campaign Against Monju Reactor

OW1101100494 Tokyo KYODO in English 0830 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—Greenpeace International has sent experts from its Amsterdam headquarters to Japan to coordinate contacts with local opponents of the prototype fast breeder reactor Monju, Greenpeace Japan officials said Tuesday [11 January].

The officials said they want the government to call off the project. Japan is the only major country with a nuclear power generation program which has not abandoned or postponed its attempt to develop a fast breeder reactor.

The Greenpeace experts have been in contact with groups in Fukui Prefecture opposed to the fast breeder since their arrival in Japan in October.

The plutonium-fueled Monju, which is operated by the power reactor and Nuclear Fuel Corp., is on the Sea of Japan coast in Tsuruga, Fukui Prefecture.

Naoki Ohara, a Greenpeace Japan executive director, said the organization's strength lies in its ability to gather information worldwide and then apply it locally.

"We consider (the fast breeder) to be unsafe and we want to halt its operation," Ohara said.

Fast breeder reactors use reprocessed plutonium as fuel but produce more plutonium than they consume.

Monju has the capacity to generate 280,000 kilowatts of electricity. Construction of a full-scale fast breeder reactor is also scheduled to begin around 2000.

The United States has halted its fast breeder program because of the low cost of uranium and as a measure against the spread of nuclear weapons which rely on plutonium. Britain and Germany have also decided to halt their programs.

France's super Phoenix fast breeder has been out of operation since July 1990 after a series of problems, including the leaking of air into the coolant.

But the Japanese Government plans to have Monju reach criticality in April, followed by about 18 months of experiments to confirm its operating capability, leading to full operation by December 1996.

Japan's plan to ship 30 tons of plutonium for its fast breeder program from Europe over the next 20 years has sparked concerns in countries which fear accidents or terrorist attacks.

Upper House To Vote on Reform Bills 19 Jan

OW1001142294 Tokyo KYODO in English 1409 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The ruling coalition on Monday [10 January] brushed aside opposition resistance and readied itself to take a vote on a package of four political reform bills at a House of Councillors plenary session on January 19 and enact them into law.

One day before the plenary session, the upper house's special committee will vote on the bills, officials said.

The schedule was fixed after the second chamber's special committee voted Monday to set the date of a public hearing on the bills at January 17.

Officials said a vote can be taken at any time if a public hearing is called.

Public hearings are mandatory for budgets and revenue bills to become law. Hearings are necessary for other bills which parties consider important.

The ruling and opposition parties have agreed to require public hearings for the passage of the political reform bills, which call for introducing single-seat constituencies combined with proportional representation for House of Representatives general elections and imposing stricter controls on political funding.

The bills cleared the lower house in mid-November.

At Monday's session of the special committee, a ruling legislator entered a motion to set the date for the public hearing.

Committee Chairman Shoji Motooka called a vote, drawing angry protests from members of two opposition parties, the Liberal Democratic Party [LDP] and the Japanese Communist Party [JCP] legislators.

Wataru Kubo, secretary general of the Social Democratic Party (SDP), the biggest party in the seven-party coalition, told a meeting of coalition leaders Monday, "we should not accept any proposals to put off the final vote until after January 19."

Upper house deliberations on political reform bills have stalled by opposition resistance.

Coalition leaders also decided not to bargain with the LDP over possible modifications unless it pledges to cooperate with the coalition in enacting the bills by the deadline of January 29, the sources said.

Meanwhile, Man Sasaki, chairman of the LDP's Diet Affairs Committee, threatened to table a no-confidence motion against Motooka for calling the vote on the public hearing without the consent of the opposition camp.

"It is an unprecedented parliamentary tactic to call a vote at the very moment the ruling coalition and opposition are still consulting on the upcoming parliamentary agenda," Sasaki said.

The government-proposed electoral bill calls for replacing the current 511-seat lower chamber with a 500-seat mixture of 274 single-seat constituencies and 226 proportional representation seats.

The LDP has been demanding that the number of single-seat constituencies be increased from the proposed 274. It has also urged the coalition to ease curbs on a proposed ban on donations from business corporations to individual politicians.

Political analysts said the ruling coalition fears the package of four bills might be killed at a final vote, if more than a dozen SDP legislators voted against them, along with legislators of the Niin Club, a five-member parliamentary group in the upper house.

The LDP, JCP, and Niin Club has a combined parliamentary strength of 114 in the upper house, while the ruling coalition has 131. There are also six independents.

Murayama: SDPJ To Stay in Coalition Government

OW1101043594 Tokyo KYODO in English 0353 GMT 11 Jan 94

[Text] Tokyo, Jan. 11 KYODO—The head of the Social Democratic Party [of Japan] (SDP) [SDPJ] on Tuesday [11 January] renewed a pledge that the party will stay in the coalition government of Prime Minister Morihiro Hosokawa and enact political reform bills in the current Diet session.

Party Chairman Tomiichi Murayama made the remarks at a two-day party convention which started Tuesday. Hosokawa also addressed the convention as a guest.

Hosokawa told the delegates that enacting political reform bills in the current parliament session is a mission of the ruling coalition.

SDPJ sources said there is a strong dissatisfaction among party members with the party leadership, which is regarded as having compromised too much on crucial issues such as political reform and the partial lifting of the rice market.

The 60th party convention, a continuation of a meeting held on September 25 last year, is scheduled to adopt an action program for this year advocating political reform.

Some 400 delegates made up of SDPJ Diet members and local representatives from the country's 47 prefectures have registered to attend the meeting, party officials said.

At the opening of the convention, Murayama said, "political reform bills aimed at stemming graft-ridden politics should be legislated during the current Diet session at any cost."

The government-proposed political reform bills are currently in the House of Councillors for further deliberation after being passed by the more powerful House of Representatives in November last year.

The bills call for replacing the multiseat electoral system for the lower house, which encourages lavish campaign spending, with a system combining single-seat constituencies and proportional representation, as well as tightening curbs on political fund-raising activities.

Murayama reiterated the party stance to continue in the seven-party coalition government, saying, "if the SDPJ does not remain in the coalition, politics might be dominated by conservative forces."

"An axis gathering broad-based liberal forces has to be formed as early as possible to square off with strong conservative groups," he said. The SDPJ is the biggest party in the coalition.

On the dissolution of the lower house, Murayama said, "general elections which causes a two-month void in politics should not be held in the current harsh economic climate, but (I) cannot definitely say what kind of decision Hosokawa will make in the wake of political upheaval."

Last month, Hosokawa gave up his initial target to get the political reform bills into law by the end of 1993 and set a new deadline of January 29, when the extended extraordinary Diet session ends.

If the bills are not passed by then, there is a possibility that the government would resign or dissolve the lower house for an election, political commentators said.

Murayama said the SDPJ has to win more than 100 seats in the next general election.

In the last lower house general election held in July last year, the SDPJ suffered a historical setback, seeing its strength almost halved from 134 before the polls.

The election, however, dislodged the Liberal Democratic Party (LDP) from a 38-year-old grip on power, bringing about the coalition government.

North Korea

Labor Regulations for Foreign-Funded Enterprises

SK1101113594 Pyongyang KCNA in English 1052 GMT 11 Jan 94

["Labour Regulations for Foreign-Funded Enterprises"—KCNA headline]

[Text] Pyongyang, January 11 (KCNA)—Labour regulations for foreign-funded enterprises were adopted as decision No. 80 of the Administration Council of the Democratic People's Republic of Korea dated December 30, 1993.

The full text of the regulations reads:

Chapter 1 General Provisions

Article 1. The purpose of these regulations is to supply workforce needed for foreign-funded enterprises according to the law related to the foreign-funded enterprises and to protect the rights and interests of the employees in their working life.

Article 2. The employment of the workforce by the foreign-funded enterprises and good offices in it, payment of wages and guarantee of conditions for working life shall be done according to these regulations.

Any provisions not covered in these regulations concerning labour shall be subject to the relevant labour law and regulations of the DPRK.

Article 3. These regulations shall be applied to foreign-funded enterprises in the territory of the DPRK. Foreign-funded enterprises shall include foreign-invested enterprises (equity and contractual joint ventures, wholly foreign-owned enterprises) and foreign enterprises.

Article 4. The foreign-funded enterprise shall employ workers of the DPRK for their business activities.

Should it wish to employ management personnel, technicians and skilled workers of special job classifications from other countries, a foreign-funded enterprise shall reach an agreement with the external economic organ of the Administration Council.

Article 5. Workers employed by a foreign-funded enterprise shall not be mobilised for other purposes than irresistible cases such as natural disaster.

Article 6. The amount of remuneration for an employee working for a foreign-funded enterprise shall be decided according to his job classification, level of technical qualification and productivity.

Remuneration shall include wage, additional wage, subsidy and bonus.

Article 7. The foreign-funded enterprise shall pay its primary attention to the improvement of working conditions so that the employees can work under safe, cultural and hygienic conditions and to the protection and promotion of their lives and health.

Article 8. The foreign-funded enterprise shall see to it that the employees who are citizens of the DPRK benefit by social insurance and social security.

Article 9. A foreign-funded enterprise shall protect the rights and interests of the employees and conclude labour contract with the trade union which represents the employees.

The labour contract shall define duties of the employees, the amount of production and quality index, working hours and rest, remuneration, insurance and public welfare, labour protection and working conditions, labour discipline, prize and penalty, provision of retirement and so on.

The labour contract shall have legal effect from the day of its conclusion and its amendment shall be done on agreement between the two sides.

The foreign-funded enterprise shall submit the labour contract to the labour administration organ in the area of its location.

Article 10. The execution of these regulations shall be supervised and controlled by the labour administration organ.

Chapter 2 Employment and Dismissal of Workers

Article 11. The foreign-funded enterprise shall decide for itself the number of the workers needed for its operation, conclude a contract on the employment of workforce with the labour service agency and employ workforce in accordance with the contract.

The contract shall define the number of workers by industrial classification and technical qualification, the duration of employment, payment, conditions for ensuring working life and the like.

Article 12. The labour service agency shall provide the workers needed for foreign-funded enterprise with the workforce of the area of its operation. The agency may provide some skilled workers from other areas in case it is impossible to provide them with those in the area of its operation.

In this case, the labour service agencies in other areas shall provide them.

Article 13. The contractual joint venture and equity joint venture which are established with an enterprise of the DPRK as their mother body shall employ the workers of that enterprise first.

Article 14. The foreign-funded enterprise shall employ workforce sent by the labour service agency in the area of its operation.

If it doesn't conform to the conditions of the employment contract, the foreign-funded enterprise can refuse to accept them.

Article 15. The foreign-funded enterprise can dismiss an employee before the termination of employment contract on agreement with the trade union and with relevant labour service agency in the following cases:

1. When the employee can not continue his or her work or other job even after the treatment of an illness or injury, provided that the illness or injury is not occupational or official one.

2. When there are extra employees due to the changes in production management and technical condition.

3. When it is compelled to reduce its workforce or declare its dissolution owing to bankruptcy.

4. When the employee has inflicted a big loss on the enterprise or seriously violated the labour discipline.

Article 16. The employee can apply for his resignation in the following cases:

1. When the employee has to stop his work or do other work owing to unavoidable personal circumstances.

2. When he or she can not fully display his or her technical capability in the given occupation because it is not his or her area of specialisation.

3. When he or she entered a school to study.

Article 17. The foreign-funded enterprise shall not dismiss its employee in the following cases:

1. When the employee is undergoing treatment for occupational disease or after being injured while working.

2. When he or she has been receiving treatment for illness for not more than 6 months.

3. When a woman employee is married or pregnant and when she is on maternity leave or is nursing her baby.

Article 18. The foreign-funded enterprise shall pay subsidy to the employee whom it has dismissed according to 1.2.3 of Article 15 and to the employee whose resignation it approved according to 2.3 of Article 16 of these regulations depending upon the period of his or her employment. If his or her period of employment is less than one year, the foreign-funded enterprise shall pay subsidy equivalent to the last monthly wage and if his or her period of employment is more than one year the enterprise shall pay subsidy calculated according to his or her average monthly wage for the last 3 months and the number of the years he or she has worked for the enterprise.

Article 19. When the foreign-funded enterprise is going to dismiss or allow resignation of an employee, it shall submit the list of their names to the labour service agency in the area of its operation one month in advance.

Chapter 3 Technical Training

Article 20. The foreign-funded enterprise shall raise the level of technical qualification of its employees and assess their degrees of technical qualification according to labour law and regulations of the DPRK.

Article 21. The foreign-funded enterprise can, if necessary, organise and run a training center or course to train skilled workers.

Article 22. The free economic and trade zone authority can organise and run a training organ for technical training needed for foreign-funded enterprises.

Technical training shall be done in the form of training employees in service or pre-entry training for school leavers.

Chapter 4 Working Hours and Rest

Article 23. The working hours of the employees shall be 6 days a week and 8 hours a day. According to the difficulties and special conditions of work, the working hours can be fixed shorter.

In a sector of seasonal limitations, the working hours can be fixed differently within the range of the annual working hours.

Article 24. The foreign-funded enterprise shall not let its employees work over time. If it is inevitable, the enterprise can do so on agreement with the trade union. In this case, it can not exceed 48 hours a month.

Article 25. The foreign-funded enterprise shall grant to an employee a rest on fete days and off days, regular and supplementary leaves and maternity leave, according to the law of the DPRK. If the enterprise lets an employee work on a fete day or an off day, it shall give him a compensatory day off within one week. Every year the foreign-funded enterprise shall grant a special leave of 1 to 3 days for ceremonial occasions. This period shall not include the days of double journey.

Chapter 5 Remuneration

Article 26. The standard monthly salary of an employee working at a foreign-funded enterprise shall not be lower than 220 won (160 won in the free economic and trade zone). In arduous sectors salary standards shall be fixed higher.

The foreign-funded enterprise shall, according to the standard salary, decide for itself the standard salaries by the classification of occupation and service ranks, the forms and methods of payment, standards of additional wage, bounty and bonus.

Article 27. The foreign-funded enterprise shall gradually lift the level of salary according to the rise in production, the level of technical qualification and productivity.

Article 28. The foreign-funded enterprise shall pay to an employee the allowance for the period of leave and additional rest before he or she is on leave.

The allowance for the leave shall be calculated by multiplying by the days of the leave the average daily payment obtained through the division of the payment for the latest three months up to the leave with the number of working days in this period. The allowance for the leave includes salary, additional wage and bounty.

Article 29. The foreign-funded enterprise shall pay subsidy equivalent to 60 percent of the daily or hourly salary for the days or hours in which work is not done due to the mistakes of the enterprise, not of the employees, and also for the days or hours in which work is not done for training.

Article 30. The foreign-funded enterprise shall pay to an employee who worked on days off and was not given compensatory days off or did overtime or night work an additional wage equivalent to 50 percent of the daily or hourly salary according to the days or hours in which he or she worked.

Night work means the work performed from 2200 to 0600 the next day.

Article 31. The foreign-funded enterprise shall pay additional wage equivalent to 100 percent of the amount of daily or hourly salary to an employee who worked on fete days and did overtime work or from 2200 to 0600 next day according to the days or hours of the work.

Article 32. The foreign-funded enterprise may raise a bonus fund with a portion of its profit which is left after the payment of tax and, on agreement with the trade union, give a bonus to an employee who has set an example in overfulfilling his or her production assignment.

Article 33. The foreign-funded enterprise shall fix the day of paying salary, additional wage and bounty and give them on that day.

The bonus shall be paid in the next month of the period of assessment.

In case an employee has resigned or retired or is dismissed before the day of payment he shall be paid the remuneration after going through the procedures.

Chapter 6 Labour Protection

Article 34. The foreign-funded enterprise shall install, improve and perfect labour safety facilities to ensure the safety of operation and keep off super heat, gas and dust and provide industrial hygienic conditions such as lighting and ventilation so that the employees can work under cultural and hygienic conditions.

Article 35. The foreign-funded enterprise shall let an employee work after giving him labour safety technical education.

The period of education shall be 1 or 2 weeks according to the types of occupation and business.

Article 36. Foreign-funded enterprises shall provide hygienic facilities for labour protection to the women employees. It shall not impose difficult and hazardous work to a woman who is over 6 months of pregnancy.

The foreign-funded enterprises shall organize and operate nurseries and kindergartens.

Article 37. The foreign-funded enterprise shall supply in time to its employees labour protection materials such as labour protection tools, working necessities and nutritious food.

The standard of materials for labour protection issued to the employees shall be defined by the foreign-funded enterprises in accordance with the relevant labour regulations of the DPRK.

Article 38. In case of serious accidents such as injury, toxication or death of an employee in work, the foreign-funded enterprise shall report this in time to the labor protection supervisory organ and should be inspected for the accident by the competent organ.

Chapter 7 Social Insurance and Social Security

Article 39. The employees of a foreign-funded enterprise who are citizens of the DPRK shall, in case of sickness, injury or old-age retirement, benefit by the social insurance and social security.

The benefits of the social insurance and social security includes subsidy, pension, rest at holiday home and sanatorium, and medical treatment.

An employee who wishes to be paid subsidy and pension shall submit a medical certificate issued by the health organ or document confirming the reason for requesting subsidy and pension to the foreign-funded enterprise.

The enterprise shall have the application for the payment of social insurance subsidy confirmed by the social insurance organ and thereafter draw the appropriate amount of subsidy from the bank and pay it to the applicant on the pay day.

The travel expense to and from the holiday home and sanatorium and the funeral subsidy shall be paid on the basis of the relevant document and be settled later.

As for the pension and subsidy under the social security, the foreign-funded enterprise shall submit the application to the social insurance organ for approval and, on completion of procedures, the pension payment organ shall pay to the person in question at the fixed date of each month.

Article 40. Subsidy and pension under social insurance and social security shall be calculated in accordance with the labour regulations of the DPRK.

Article 41. The benefits of social insurance and social security shall be provided from the social insurance fund.

The insurance fund shall be raised with social insurance fees collected from the employees.

Article 42. The foreign-funded enterprise can organize and operate a sanatorium and a holiday home for the promotion of the health of the employees.

The operation cost of the sanatorium and the holiday home shall be paid from the social insurance fund.

Article 43. The foreign-funded enterprise shall be subject to supervision by the social insurance organ in the area og its operation and the trade union regarding the payment of social insurance fees and expenditure of the insurance fund.

Article 44. The foreign-funded enterprise can create a cultural and welfare fund for the employees with part of its profits after paying the taxes.

The cultural and welfare fund shall be used for the enhancement of the cultural and technical levels of the employees, mass culture and sports, and the operation of the welfare facilities for them.

The use of the cultural and welfare fund shall be supervised by the trade union.

Chapter 8 Sanctions and the Settlement of Disputes

Article 45. The labor administration organ shall impose a fine on the foreign-funded enterprise, if it employs and dismisses workforce of our country in violation of these regulations.

Article 46. In case a foreign-funded enterprise fails to provide labour security facilities and industrial hygienic conditions, the labour administration organ shall order it to rectify the fault within a set period of time. In case it does not rectify it thereafter, it can fine the enterprise or suspend its operation according to the extent of the failure.

Article 47. When the fine is considered unjust it can request the organ superior to the one that imposed the fine to return the money paid in the fine within 15 days from the day on which it has got the notice.

The superior organ shall settle the matter within 10 days from the day it receives the request.

Article 48. Any disagreement arising in the implementation of these regulations shall be settled through consultations between the parties concerned.

Any dispute shall be settled by a court of law or an arbitration body of the DPRK in accordance with the relevant procedures.

'Self-Supporting National Economy' Lauded

SK1101120394 Pyongyang KCNA in English 1119 GMT 11 Jan 94

["Invincible Vitality of Line of Building Self-Supporting National Economy"—KCNA headline]

[Text] Pyongyang, January 11 (KCNA)—Socialist construction is being stepped up and the advantages of Korean-style socialism are highly displayed in Korea in face of the malevolent maneouvrings of the imperialists and the worldwide economic fluctuation. It is because the Korean people have creditably built the self-supporting national economy, says NODONG SINMUN in a by-lined article today.

The article says:

The line of building a self-supporting national economy is fully displaying its great material strength, great validity and tremendous vitality in our country.

The invincible vitality of the Workers' Party of Korea's line of building a self-supporting national economy lies, above all, in that it helps maintain the political independence of the country in any circumstances.

Economic self-sustenance is just the way of maintaining political independence, the life and soul of an independent sovereign state. The Korean people are always firmly maintaining the political independence of the country by building the self-supporting national economy under the wise guidance of the party and the leader.

Thanks to the powerful self-supporting economy the Korean people are now creditably defending the dignity and sovereignty of the nation in confrontation with the U.S.-led imperialists even under the situation where socialism has suffered setbacks in some countries of the world.

Its invincible vitality of our party's line also lies in that it makes it possible to steadily strengthen the material and technical foundations of the country and accelerate the socialist construction at a high speed.

The self-supporting economy of Korea is on a very high level in the modernization of its technical equipment and in the building of departmental structures and turns out everything necessary for economic construction and people's living.

The powerful self-supporting economy helps the party and the people of Korea to develop the economy at a high tempo on the basis of their own economic foundations in any circumstances.

An industrial output increased by 50 percent and its average annual growth rate was 5.6 percent in the period of the third seven- year plan, which clearly shows how the self- supporting economy of Korea maintains a steady and high- speed of growth.

The invincible vitality of the line finds its manifestation in that it makes it possible to steadily improve the material and cultural living standard of people and highly display the advantages of socialism.

Having a powerful self-supporting economy the party and the state can provide the entire people with a happy life.

With the progress of economic construction the people's real income steadily increases and the party and the state are pursuing better policies for the improvement of people's living.

All this shows the great superiority of Korean-style socialism to capitalist society and a proud fruition of the self-supporting national economy.

Daily on 'Correct' Revolutionary Economic Strategy

SK0801112894 Pyongyang KCNA in English 1114 GMT 8 Jan 93

[Text] Pyongyang, January 8 (KCNA)—The revolutionary economic strategy of the Workers' Party of Korea [WPK] is an absolutely correct policy of economic construction based on a scientific penetration into the actual conditions of the development of the national economy of Korea, the lawful requirements of the economic development of socialism and the changing domestic and international situation.

Dr. Chong Kwan-yong says this in an article contributed to NODONG SINMUN today.

He explains the reasons why the revolutionary economic strategy of the WPK is correct as follows:

The first reason is that the strategy makes it possible to radically improve the people's standard of living in a few years to come and bring the advantages and vitality of Korean-style socialism into fuller play.

To this end, state investment in agriculture, the light industry, foreign trade and other sectors related to the people's living will be increased and the nation's fund, materials and equipment be directed first of all to the development of agriculture and the increase of the production of consumer goods and export products.

Today when the heavy industry has a solid foundation, the agriculture-first, light industry-first and foreign trade-first policy is a firm guarantee for steadily consolidating and expanding the nation's economic foundation as a whole and improving the people's standard of living.

The revolutionary economic strategy of the WPK is a popular one because it indicates the road of rapidly developing all sectors of the national economy which are complicatedly interlinked by placing the desires and interests of the people in the centre and finding the master key in that direction.

Another reason is that the strategy makes it possible to consolidate the self-reliant foundation of the economy so that we may live on our own strength under the new, changed situation;

It is the invariable principle of the WPK that we live on our own strength, firmly defending the honor and dignity of socialism under any circumstances. We must make full material preparations to live on our own strength if we are to defend and accomplish the cause of socialism in face of the vicious offensive of the allied forces of imperialism aimed at isolating, blockading and stifling the DPRK.

The strategy makes it possible to continuously develop the coal and power industries, rail transport and the metal industry while concentrating on agriculture, the light industry and export products. Thus it will strengthen the chuche orientation and self- reliance of our economy and firmly ensure that our people live on their own strength under any circumstances.

Another reason is that the strategy makes it possible to secure a new base for reaching higher levels of socialism.

It is very timely and correct for our party to have set the three years to come as a period of adjustment. And the policy of concentrating on agriculture, the light industry and foreign trade is so wise that we can secure a new base for higher levels.

The strategy is, indeed, patent proof of the wise guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il who victoriously lead the building of the economy, turning adversity into a favorable condition and misfortune into a blessing with their rare wisdom and clairvoyant scientific insight.

Determination To Produce More Building Materials Noted

SK1001033594 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 8 Jan 94

[Text] Functionaries and workers in the building materials industry sector greeted the 30th anniversary of the Building Materials Day today, at a time when all the people throughout the country are accelerating this year's rewarding march of advance with revolutionary optimism and faith. Greeting the significant day, functionaries and workers in the building materials industry sector are filled with the burning determination to produce more building materials and to supply them to socialist construction projects at their work sites, which have been built into chuche-oriented and self-reliant building materials bases that firmly rely on their own affluent raw materials and fuel.

Reporter Yi Hak-sil, of the Central Broadcasting Station, met with Chang Tae-pong, vice minister of the Building Materials Industry Ministry, and Han Song-chon, deputy director of a bureau of the ministry.

[Begin recording] [Yi Hak-sil] I congratulate you on the Building Materials Day.

[Chang Tae-pong] Thank you. I feel deep emotion in greeting this significant day. Thirty years ago, on 8 January 1964, the great leader convened a consultative meeting of functionaries in the building materials industry sector and made there a historic speech entitled "On some measures to develop building materials industry." The great leader's historic speech at the meeting was a programmatic guideline in founding and developing a self-reliant, modern, and our own style building materials industry. This is why our functionaries and workers in our building materials industry sector have significantly celebrated 8 January every year as the Building Materials Day to commemorate forever the day which opened an epochal turning point in developing the building materials industry of the country.

[Yi] We can say that our building materials industry has traversed the road of rapid development thanks to the great leader's wise leadership and the dear leader Comrade Kim Chong-il's energetic guidance. What do you say?

[Han Song-chon] That is right. The great leader took epochal measures for developing the building materials industry right after the national liberation and since then he has wisely lead on to build building materials production bases throughout the country.

Our building materials industry today has greeted a new heyday in its development thanks to the tested leadership and energetic guidance of the dear comrade leader who is upholding the great leader's lofty intent. We can say with great dignity and confidence that large-scale cement plants and many building materials production bases have been built throughout the country thanks to the wise leadership and great consideration of the great leader and the dear comrade leader.

We will also further plan and coordinate organizational and political work and production guidance so that all work sites that have been built into self-reliant and modern building materials production bases, which can outstandingly guarantee any large-scale construction projects, can produce more building materials. Thus, we will further enhance the popular masses-centered socialism of our own style through the success of more building materials production. [end recording]

Metal Industry, Agriculture Workers Urged To Produce More

SK0801045694 Pyongyang KCNA in English 0418 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—The employees of the Kim Chaek iron and steel complex, a nation's leading producer of iron and steel in the northern region, and the farmers of the Ohyon Cooperative Farm in Yonan County, South Hwanghae Province, a granary, held meetings to implement the militant tasks put forward by the great leader President Kim Il-song in his New Year address and challenged the working people of metal industry and agriculture to a socialist emulation.

The employees of the complex at their meeting Friday discussed measures to overfulfil the production plan of iron and steel for this year, which is set 20 percent above last year.

The reporter and speakers said "Let us hasten the general march of socialism in the revolutionary spirit of self-reliance and fortitude!" is the call of our party and a militant slogan which our people must uphold, and resolved to bring a fresh revolutionary upsurge in the production of iron and steel in the spirit displayed in the days of the great upsurge of Chollima, united around the party and their leader in one mind.

They challenged the metallurgical factories across the country to a socialist emulation for overfulfilling the yearly plans.

Meanwhile, the farmers of the Ohyon Cooperative Farm at their meeting on January 6 vowed to adorn this year which marks the 30th anniversary of the publication of the rural theses with signal successes in agricultural production, in hearty response to the party's agriculture first policy.

They challenged the agricultural working people throughout the country to a socialist emulation to overfulfil the yearly quotas in agricultural production.

Iron, Steel Production Sees 'Remarkable Progress'

SK1101043994 Pyongyang KCNA in English 0424 GMT 11 Jan 94

[Text] Pyongyang, January 10 (KCNA)—Last year Korea achieved a remarkable progress in iron and steel production.

The state defined this sector as one of the main domains on which efforts should be concentrated in economic construction from the beginning of the year and increased investment in the metal industry.

Continuous roughing processes were newly built in the Chollima steel complex and the Hwanghae iron and steel complex, and the ferro-alloy workshop of the Puryong ferro-alloy complex was reconstructed on an expansion basis.

As a results, the production of steel and pig iron increased 27 percent, and that of rolled steel 33 percent last year compared with the previous year, taking the Ministry of Metal Industry as a whole.

The Kim Chaek iron and steel complex, a leading iron production base, kept production on a high level by introducing many valuable technical innovation proposals.

At the Hwanghae iron and steel complex technical control of the metallurgical equipment was improved and advanced work methods were introduced to markedly increase iron and steel production while reducing fuel consumption.

Ferro-alloy production last year increased 55 percent above the previous year at the Puryong ferro-alloy complex.

The Musan mining complex, a gigantic ore supplier, turned out 450,000 more tons of iron headings in the period than the preceding year through massive excavation, transport and processing.

All the iron and steel works are effecting a greater upsurge in production from the beginning of the new year to carry out tasks advanced by the great leader President Kim Il-song in his New Year address.

Editorial on Consolidating 'Single-Hearted Unity'

SK1001102994 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 8 Jan 94

[NODONG SINMUN 8 January editorial: "Let Us Accelerate New Year's March by Upholding the Banner of Single-hearted Unity"]

[Text] Today, the whole country is seething with upsurged revolutionary enthusiasm of the party members and working people who turn out in the New Year's march by upholding the great leader Comrade Kim Il-song's New Year's address.

Defending the might of our single-hearted unity around the party and the leader like the apples of our eyes and further displaying it are decisive factors guaranteeing triumphs for this year's march.

The great leader Comrade Kim Il-song has taught: We should defend the revolutionary ranks' single-hearted unity, which has been consolidated under the leadership of our party, like the apples of our eyes, and further develop and consolidate it.

Single-hearted unity is a immortal tradition of glory and a immortal banner of victory. Our people have strived heroically by closely rallying around the party and the leader. As a result, they have triumphantly overcome countless difficulties and trials lying in the way of the revolution and set up a strong socialist country of self-dependence, self-support, and self-reliant defense on this land.

Last year, in which the fatherland and revolution were faced with a stern trial, our people proudly defended sovereignty and security of the socialist fatherland and achieved a big success in socialist economic construction thanks to the might of single-hearted unity.

We should ardently adhere to the tradition of glorious single- hearted unity and further bring full play to the might of it so as to fully display the superiority of the socialism of our own style and complete the socialist cause of chuche to the end in any storm. Firmly consolidating single-hearted unity among our revolutionary ranks is an important requirement for the environment of our revolution and enormous tasks arising before us.

The imperialists and reactionaries are intensifying an unprecedented offensive in political, economic, military, diplomatic, and all other spheres to isolate, stifle, and crush [korip, chilsik, apsal] the Republic which is advancing under the banner of socialism. Due to the enemies' anti-Republic and antisocialist maneuvers, the situation in our country became extremely tense and complicated, and countless obstacles were laid before us. Under such conditions, we should uphold the banner of single-hearted unity higher in order to effect a revolutionary upsurge in socialist construction by waging a movement to carry out the revolutionary economic strategy of our party.

Our single-hearted unity is unity of ideology and action of the whole party and the entire people who follow the great leader [suryong] and the illustrious leader [yongdoja] with unquestioned worship.

There are no obstacles nor fortresses that we cannot overcome or occupy when we march by upholding the might of great single-hearted unity that is unprecedented in history. The road to smashing every step of vicious anti-Republic and antisocialist maneuvers of the imperialists and reactionaries and bringing full play to the spirit of the chuche Korea lie in displaying the might of single-hearted unity. In addition, the road to consolidating the foundations of the nation's independent economy rock-solid by vigorously accelerating the general onward march of socialism lies in the fact that all the people unite single-heartedly around the party.

The ideology on all the more strengthening the single-hearted unity of our revolutionary ranks which was elucidated in the great leader Comrade Kim Il-song's New Year address, is a precious guideline which provided a decisive guarantee in the victory of this year's battle. Here lies the great leader's lofty will of trying to bring about a historical turning point in our country's revolution and construction this year by all the more highly manifesting the might of our single-hearted unity of the entire party, all the people, and the entire Army solidly uniting around the great leader [yongdoja].

All the party members and workers must all the more consolidate and develop our single-hearted unity in accordance with the prevailing situation and the demand of the revolutionary development to brilliantly realize the militant task presented in the great leader Comrade Kim Il-song's New Year address and achieve greater victories in the struggle to advance the cause of socialism of our own style.

Most of all, all the party members and workers must have a deep understanding of the leader's [yongdoja] greatness. Also, it is important for them to have a clear faith of absolutely having faith in and following their leader [suryong] and their leader [yongdoja] in whatever kind of environment.

The might of unity of the revolutionary ranks is the firm might of faith of all the people toward the leader [yongdoja]. Our dear leader Comrade Kim Chong-il is a peerless great man who is combined with both literary and military accomplishments as well as loyalty and filial piety. He is also the fate and future of our fatherland nation, and socialism of our own style.

All the party members and workers must experience in their hearts of how we are upholding such a great leader [yongdoja] at the head of the party, the revolutionary ranks, and the people's Armed Forces through our revolutionary's proud reality which is advancing without the slightest wavering amid the world's disturbances.

We must always deeply bear in our hearts the rock-firm faith that the fatherland exists because of the leader [yongdoja] and that our happiness and the prosperity of the posterity is guaranteed, and uphold the dear comrade leader with single-hearted loyalty and filial piety.

Comrade Yi In-mo is a magnificent example in absolutely admiring and following the dear comrade leader who is the center of unity of our revolution and the center of leadership. As concentratedly reflected in the poem dedicated to the dear comrade leader filled with the single-hearted unity of loyalty, Comrade Yi In-mo's ideological and spiritual world is truly a lofty spiritual world which can be possessed only by a true revolutionary who shares the fate with the leader [yongdoja] to the end in whatever hardships.

All the party members and workers must reflect themselves in the spiritual world of Comrade Yi In-mo and must endlessly cultivate themselves to become genuine loyalists.

The great chuche idea is the ideological basis of our single- hearted unity. All the people are firmly guaranteeing the consistency of ideology and behavior according to the demand of the chuche idea. Here lies the invincible might of our single-hearted unity.

The party members and workers must deeply bear in their minds that the chuche idea is the life of socialism of our own style and must all the more firmly arm themselves with the chuche idea. In particular, the work to deeply study the great leader's classic works and the dear comrade leader's documents which completely compiles the chuche idea, theory, and method must be carried out steadily.

We must deeply study the great leader's New Year address of this year by analyzing it in detail and firmly arm ourselves with its profound ideology. Along with this, we must continue to energetically study the dear comrade leader's immortal works including, "Interference in Socialism Cannot Be Tolerated," and "The Historical Lesson in Socialist Construction and Our Party's General Line," so that we can all the more firmly consolidate the faith that we will always win as long as the great leader [yongdoja] exists who is leading our revolution toward the one road of chuche.

Our single-hearted unity is a strong driving force of the socialist construction and its might must be wholly manifested in the practical struggle to accelerate socialist economic construction. In accordance with the changing environment and the actual demand of our country's socialist construction, our party today presented the method on moving toward the road of agriculture first, light industry first, and trade first and is calling the whole party and all the people to fulfill it.

We must consolidate like bedrock the country's independent economic basis, all the more enhance the people's living standard, and wholly display the might of unity of our people which is firmly united around the party and the leader in today's worthwhile struggle to occupy a new offensive camp for the domination of a higher ground in socialism.

All the party members and workers must highly manifest endless devotion and the revolutionary spirit of self-reliance and fortitude toward the party and the revolution so that the plan of the people's economy which they are entrusted with can be accomplished at an appropriate time and without fail.

When the party members and workers of all sectors of the people's economy exert strenuous efforts by highly upholding the party's intention to help and lead each other and highly manifest the popular heroism, we can magnificently fulfill any kind of task we are faced with this year.

To elucidate socialism of our own style through the might of single-hearted unity, the communist virtue which is overflowing in all of the society must all the more be fully blossomed. Our people's revolutionary trait which is single-heartedly united around the party and the leader must be vigorously displayed in highly manifesting the communist virtue of all the members of society helping and leading each other according to the collective principle of one for all and all for one.

We must substantially carry out the work to establish a revolutionary outlook on life, and persistently carry out the work well to learn the beautiful ideological, spiritual, and moral traits of the pioneers of the communist virtue so that laudable communist acts can be highly manifested. In particular, we must all the more fully blossom the virtue of Army-people unity which has been highly manifested traditionally.

All the party members and workers must not forget even a second that we are living and struggling with the strong willpower and optimism because of the People's Army led by our comrade supreme commander. Therefore, they must assist the People's Army from the bottom of their hearts and love the People's Army as if it is their own flesh and blood. By doing so, work must be carried out to all the more loudly resound the shouts of hurrah of the ideology of Army-people unity anywhere.

The party organizations and functionaries are possessed of an important duty in further firmly consolidating our single-hearted unity and highly manifesting its might. The party organizations must adhere to and elucidate the tradition of single-hearted unity. This must be put forth as a [words indistinct] work related to the fate of socialism of our own style and must yield everything to it.

The party organizations must consistently carry out all work so that it can all the more firmly consolidate our single-hearted unity. In particular, priority must be put into thoroughly embodying the politics of benevolence presented by the dear comrade leader who endlessly loves the people.

Our functionaries are the core force of the party and faithful servants of the people. The role of the functionaries is importantly dependent on how great our party's politics of love and politics of faith toward the people is actually brought about. All the functionaries must uphold the party's slogan of, "Serving the People," and must sincerely work as a messenger of the people and take pains so that the party's benefits and considerations can be all the more extended to the people well.

All the guiding functionaries must substantially and persistently carry out the revolutionization and working classification work of themselves so that the revolutionary and people-oriented work method and work style can be all the more embodied. This is to make all the guiding functionaries into genuine functionaries and true messenger of the people in which the masses truly respect and follow.

The single-hearted unity is our most mighty weapon and strength to advocate, adhere to, and complete socialism of our own style to the end. As long as there is the wise leadership of the party and the leader, and the single-hearted unity united like bedrock around the great leader [suryong] and the great leader [yongdoja], there is nothing to be afraid of in this world.

Let us all the more move forward by highly upholding the banner of single-hearted unity with redoubled courage and unshakable confidence so that the resolute spirit of the heroic Korea can once again be displayed in this year's socialist general onward march.

Volume 7 of 'Complete Works of Kim Il-song' Published

SK0801045994 Pyongyang KCNA in English 0432 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—The Workers' Party of Korea Publishing House is publishing *Complete Works of Kim Il-song* which contain immortal classic works of the great leader President Kim Il-song systematically in chronological order. It has recently brought out its 7th volume.

Carried in it are 64 works including historic reports, speeches, concluding addresses, statements, talks and instructions of President Kim Il-song from January to April 1948.

The year 1948 was a historical period when the Korean people waged a struggle to consolidate the revolutionary base of the northern half of Korea politically, economically and militarily, accelerate the building of a prosperous independent and sovereign state and reunify the country.

The 7th volume consummates the outstanding ideas, theories and policies set forth by President Kim Il-song in that period to hasten the revolution and construction under the guidance of the Workers' Party of Korea with a deep-going scientific insight into the requirements of the developing revolution and precious successes and experiences attained in the work for their realization.

Kim Il-song's New Year Address Reported Abroad

SK0901082294 Pyongyang KCNA in English 0806 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—The New Year address of the great leader President Kim Il-song has been widely reported by foreign media.

The Russian paper RABOCHAYA TRIBUNA, the Iranian papers RESALAT, KAYHAN INTERNATIONAL and JAHON ISLAM and Radio Iran noted that President Kim Il-song in his New Year address showed ways for the settlement of the nuclear and reunification issues on the Korean peninsula.

The Lao News Agency conveyed in detail the words of President Kim Il-song that the Korean people must thoroughly implement the agriculture-first, light industry-first and foreign trade-first policies and the DPRK shall consistently adhere to the foreign policy of independence, peace and friendship this year.

The New Year address was also reported by papers JOURNAL DE MADAGASCAR, IMONGO VAOVAO, TRIBUNE and the ANTA News Agency and TV of Madagascar, papers MZALENDO, SUNDAY NEWS, THE EXPRESS and SHIHATA News Agency and a radio of Tanzania, the Togolese paper TOGO-PRESSE, radios and TV of Zimbabwe, the JANA News Agency of Libya, a radio and TV of Equatorial Guinea, the U.S. papers WASHINGTON POST and NEW YORK TIMES, the British paper DAILY AWAZ, the AFP News Agency of France and German-language radios of Switzerland from January 1 to 3.

Further on Foreign Coverage

SK1101045094 Pyongyang KCNA in English 0434 GMT 11 Jan 94

[Text] Pyongyang, January 11 (KCNA)—Foreign mass media reported the great leader President Kim Il-song's New Year address.

The journal DE ANGOLA carried the part on national reunification and the part on foreign policy from the New Year address.

National Radio of Guyana broadcast the New Year address three times, saying that President Kim Il-song in his New Year address described the victory of the Korean people last year as a victory of the revolutionary line of the Workers' Party of Korea, a great victory of the singlehearted unity of the leader, the party and the masses.

The Mozambican paper NOTICIAS quoted President Kim Il-song as saying that the nuclear issue on the Korean peninsula must be settled through DPRK-U.S. talks and that pressure and threats will have no effect on the Korean people and may invite catastrophe, far from achieving a solution to the problem.

Newspapers, news agencies and radios of Italy, Egypt, Ethiopia, China, Zaire, Peru, Poland, Nigeria, Austria, Laos and Yugoslavia reported the gist of the New Year address.

Part of Kim Il-song's Speech Distributed at UN

SK1001064294 Pyongyang KCNA in English 0459 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—Part of national reunification of the New Year address of the great leader President Kim Il-song was distributed as official document S/1994/3 of the UN Security Council on January 3.

Foreign Party Leaders Send Greetings to Kim Chong-il

SK1101050094 Pyongyang KCNA in English 0438 GMT 11 Jan 94

[Text] Pyongyang, January 11 (KCNA)—The dear leader Comrade Kim Chong-il received telegrams from foreign party leaders on the New Year.

The telegrams came from General Secretary of the Central Executive Committee of the Bangladesh National Socialist Party Hasanul Huq Inu, convenor of the Central Committee of the Socialist Party of Bangladesh Khalequzzaman Bhuiyan, Chairman of the Nepal Workers and Peasants Party Narayan Man Bijukchhe, National Chairman of the Workers' Party of Zaire Emile Kibala Bey A Nsien, General Secretary of the Congolese Socialist Party Leon Nzokene, Secretary General of the Party of Revolution of Benin Ali Houdou, General Secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele, National Secretary General of the Socialist Political Action Party of Peru Gustavo Mohme Ryona, General Secretary of the Socialist Party of Peru Luis Mateo Munos, General Secretary of the Sandinist National Liberation Front of Nicaragua Daniel Ortega Saavedra and Secretary General of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali Amadou El Becir Gologo.

They hoped that in the new year, too, the Korean people would register a great success in the efforts to carry on the cause of socialism and reunify the country under the wise leadership of Comrade Kim Chong-il, braving the threats of the imperialists and reactionaries.

They wished Comrade Kim Chong-il a long life in good health.

Society on Kim Chong-il's Works Formed in Japan

SK0901080894 Pyongyang KCNA in English 0759 GMT 9 Jan 94

[Text] Tokyo, January 7 (KNS-KCNA)—The Hokkaido, Japan, Society for the Study of Kim Chong-il's Works was formed on December 7.

Its inaugural meeting was held in Sapporo, at which Yoshio Suzuki was elected chairman of the society and its action program was published.

Kim Chong-il Sends Wreath to Bier of Academician

SK0801112594 Pyongyang KCNA in English 1103 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—The dear leader Comrade Kim Chong-il today sent a wreath to the bier of the late academician, Prof. and Dr. Kim Ha-myong of the Chuche Literary Institute of the Academy of Social Science, expressing deep condolences.

Kim Chong-il Sends 100th Birthday Table

SK0801112494 Pyongyang KCNA in English 1102 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—The dear leader Comrade Kim Chong-il sent a 100th birthday table to Chon Ssanggamae, an old woman residing in Sangchang-ri, Hamju County, South Hamgyong Province, on January 6.

Upon receiving the birthday table amid blessings of all people that day, the old woman and her family, relatives and villagers expressed boundless thanks and reverence for the dear leader who bestowed deep benevolence on her, caring for the birthday of an unknown old woman who has lived an ordinary life.

Born into a poor peasant family in a mountainous village in Changjin County, South Hamgyong Province, on January 6, 1894, she managed to eke out a living by doing farming. She could not learn abc, without her proper full name. It was not until Korea was liberated in 1945 that she could live a worthy and happy life as master of the country.

The number of people who enjoy longevity is on a steady increase thanks to the popular health policy in the Democratic People's Republic of Korea.

Independence, Peace Said 'Consistent Foreign Policy'

SK0901084094 Pyongyang KCNA in English 0823 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—Independence, peace and friendship is the consistent foreign policy of the Democratic People's Republic of Korea, stresses NODONG SINMUN in an article today.

The author of the article says:

The great leader President Kim Il-song in his New Year address declared that the Workers' Party of Korea [WPK] and the DPRK Government would consistently adhere to the foreign policy of independence, peace and friendship to meet the requirements of the present situation.

This year, too, the WPK and the DPRK Government will consistently adhere to the foreign policy of independence, peace and friendship.

The DPRK is a dignified country that regards independence as its life and soul.

To maintain independence is an invariable position and policy of the DPRK. The DPRK deems it the basic principle of its activity to think and judge all things independently, act in accordance with its faith and solve all problems in a self-determined manner.

The idea of independence in the foreign policy is based on the chuche idea, the guiding idea of the DPRK.

We never allow others to infringe on our sovereignty, interfere in our internal affairs and dominate and control us. We also object to violating other country's sovereignty.

We will judge and deal with all problems in the international life with independence as the yardstick and fight on against infringement on independence.

To avert war and preserve peace is a very urgent problem to the Korean people.

Out of the sense of obligation to preserve peace in our times, we will actively fight to terminate the tension and military confrontation on the Korean peninsula, denuclearize this part of the world, check and foil the acts of aggression and war on the part of the imperialists and reactionaries and safeguard peace in Asia and the world.

Our people value friendship with the world's people.

On the principle of independence we will make positive efforts to unite and cooperate with the socialist and nonaligned countries and develop good-neighborly and friendly relations with the capitalist countries which respect the sovereignty of our country.

Daily: 'Imperialists' Trying 'To Stifle' Socialism

SK0901083394 Pyongyang KCNA in English 0817 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—NODONG SINMUN today carries a by-lined article titled "Advancing Towards Socialism is Tide of History."

It quotes the great leader President Kim Il-song as saying in his New Year address that now in the international arena the imperialists are vaunting the "end" of socialism, but they cannot arrest the people's aspiration to independence, sovereignty and socialism, nor can they reverse the tide of history.

The article says:

Though the imperialists and the reactionaries are leaving no stone unturned in their attempt to stifle socialism, they can never put down the people's aspiration to socialism and reverse the tide of history.

Describing the frustration of socialism in some countries as a change in the tide of history is nothing but an anti-popular, unscientific sophism ignoring the social nature of man and the law governing the development of history.

As long as the popular masses remain the makers of history and mankind exists, socialism will surely advance and emerge victorious. This is well illustrated by the fact that the anti-socialist moves of the imperialists are now on the brink of total bankruptcy and the struggle of the popular masses for rebuilding socialism and vigorously advancing it is ever growing.

That advancing towards socialism is the main trend of our time is also proven by the fact that the contradiction and crisis of the imperialists are becoming all the more serious and the people's struggle for independence is growing worldwide.

In the past the imperialist powers joined hands with each other against socialism. Now, however, they are locked in a fierce fight with each other to expand their sphere of influence and capture markets by interfering in different regional disputes.

It is a stark fact that the imperialists' contradiction and crisis are growing more acute and imperialism is rushing headlong to its destruction, finding itself on the deathbed in face of the people's struggle for building a new independent world.

Socialism has definitely turned into the demand of our age. It is well illustrated also by the fact that the Pyongyang declaration calling for defending and advancing the cause of socialism has spread rapidly worldwide with a never diminishing attraction. The declaration has been signed by 200 political parties. This clearly proves its significance and vitality.

There is no shadow of doubt that when the revolutionary parties and peoples across the world are closely united with each other under the banner of independence and powerful makers of history for a new world are prepared, the human cause of independence, the cause of socialism, will win a final victory.

Daily: Japan Must Admit War 'Crime' Responsibility

SK0801110394 Pyongyang KCNA in English 1055 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—The Japanese Government must, though belatedly, admit to Japan's responsibility for the crime in drafting "comfort women for the Army" in view of the international law, enact a domestic law of its own accord and hold trials to bring criminal charges against those responsible for the criminal case and manifest its intention to restore the damaged honour of the victims and international justice, says NODONG SINMUN today in a by-lined article.

The Japanese Government authorities' act of avoiding full investigation into the crime in drafting "comfort women for the Army" and publication of its results is to duck their responsibility for the anti-human arch crime under the international law, the article says, and goes on:

The crime in drafting "comfort women for the Army" committed by the Japanese imperialists is the most despicable and diabolic, inhumane criminal act ever known in human history. It is typical of the "crime against humanity" under the international law.

Because it is, above all, a grave human rights abuse, in the form of enslavement of women.

It falls under the "crime against humanity" according to Subparagraph C of Paragraph 6 of the regulations of the Nuremberg International Military Tribunal and Article 5 of the Regulations of the Tokyo International Far Eastern Military Tribunal.

The crime in drafting "comfort women for the Army" committed by the Japanese Government and military was a forcible sexual enslavement of women.

They deprived the "comfort women" of all their freedom and rights, treated and murdered them like slaves.

This criminal case comes under the "crime against humanity" also because it was committed as part of their scheme to obliterate another nation.

The "imperial Army's" brutal cruelties against the "comfort women for the Army" were praised as "qualities" of the "imperial Army" because they were based on Japan's policy aimed at obliterating the Korean nation itself.

This notwithstanding, the Japanese authorities are trying by hook or by crook to avoid their responsibility for the criminal case under the international law. They describe the publication of "Results of Two Rounds of Investigation" as a fulfilment of their duty and are intending to evade compensation with an offer of something like "fund".

If the Japanese Government continually refuse to admit their responsibility for the criminal case under the international law, to probe the truth and make compensations, it will bump into stronger condemnations from the international community.

Kim Yong-sam Said 'Flunkyist' for U.S., Japan

SK1101124694 Pyongyang Korean Central Broadcasting Network in Korean 0832 GMT 11 Jan 94

[Unattributed talk: "Ugly Pro-U.S., Pro-Japan Flunkyist Nation-Seller"]

[Text] Puppet traitor Kim Yong-sam is a vicious pro-U.S. flunky nation-seller who sold out the nation's vital interest under the veil of civilian government.

The pro-U.S. flunkyist nation-selling act of the puppet traitor was, above all, the opening of the market of rice, which is blood and flesh of the South Korean people.

Even successive puppets did not dare to touch on this issue. Nevertheless, the puppet traitor Kim Yong-sam carried out behind- the-scenes negotiations with the White House over the issue of rice market opening, using it as a useful card, immediately after the merge of political parties. By doing this, he was selected as a presidential candidate at last.

As was disclosed to the world, Pak Chol-on made remarks during the presidential elections that if he were to speak out, Kim Yong- sam would be removed from office. His remarks referred to such maneuvers by Kim Yong-sam, and Kim Yong-sam's imprisoning him was designed to shut his mouth.

During the so-called summit held between South Korea and the United States on 23 November last year in the wake of the Uruguay Round negotiation, traitor Kim Yong-sam secretly pledged the opening of the rice markets and finally signed the memorandum of agreement.

Because of the traitorous act of the puppet Kim Yong-sam, agriculture in South Korea faced destiny of complete bankruptcy and six million South Korean farmers lost means of living. Thus, South Korea has been deprived of even the last foundation of national economy and reduced to the U.S. rice market.

The criminal act of the puppet Kim Yong-sam as a flunkyist nation-seller did not end at this. As has been known, Clinton's idea for the new Pacific community is designed to hold in check [kyonje] Japan and China with the U.S. system for colonial domination over South Korea as the axis and to bind countries in the Asia and Pacific region with its domination system.

Nevertheless, the puppet Kim Yong-sam, who attended the Asian- Pacific Economic Cooperation summit in Seattle last November, stated that his new diplomacy is similar to Clinton's idea for the new Pacific community, thus attempting to court Clinton's favor. He then put the rope of this domination system on South Korea.

Moreover, last April, the puppet traitor Kim Yong-sam agreed to allow the United States to freely use port facilities in South Korea in an emergency according to the agreement on wartime support for the occupation forces concluded with the United States. In May, he conceded most U.S. Air Force facilities, which were to be turned over to South Korea, to the U.S. Seventh Air Force so that it can use these facilities continuously. Following this, in August, he effectuated the plan for supplementing logistics and civilian manpower to the U.S. Forces through the "93-Ulchi Focus-Lens" exercise. Thus, he reduced the whole land of South Korea to a consumption object for execution of the U.S. strategy.

With a view to keeping U.S. Forces in South Korea, the puppet traitor Kim Yong-sam fabricated even a nation-selling special treaty to increase the rate of sharing expenses for maintaining U.S. Forces in South Korea during South Korea-U.S. annual security consultative conference and South Korea-U.S. summit. Thus, he finally made the reduction of U.S. Forces in South Korea withheld.

The pro-Japan flunkyist nation-selling act of puppet traitor Kim Yong-sam far surpasses the pro-Japan flunkyist acts of Pak Chong-hui and Kim Chong-pil. The puppet traitor Kim Yong-sam once denounced Kim Chong-pil, who signed the South Korea-Japan treaty, as a pro- Japan nation-seller more vicious than the five traitors of the Ulsa Protectorate Treaty [of 1905] between Korea and Japan. However, he invited Japanese Prime Minister Hosokawa and reconfirmed the nation-selling agreement on basic relations between South Korea and Japan. Moreover, he committed a flunkyist nation-selling act by nullifying Japan's past crimes.

The Kim Yong-sam puppet clique, whose political foundation is weaker than any successive puppet regime, entered more deeply into Japan's economic and military sphere in an attempt to win its support.

The Japanese reactionaries built high barriers against South Korean products. However, the Kim Yong-sam nation-selling clique announced his so-called economic policy toward Japan in last August. According to this policy, the measures on banning imports of some Japanese commodities, which have been implemented only for form's sake, will be completely lifted by 1997.

While advancing along the road of military collaboration with Japan which is emerging as a great nuclear state and great military power, the Kim Yong-sam puppet clique let the high-ranking officers of the Japan Self-Defense Forces participate [chamga] in the Team Spirit joint military exercise under the pretext of an observers team.

Because of pro-U.S. and pro-Japan flunkyist nation-selling acts of the Kim Yong-sam puppet clique, South Korea's subordination to the United States and Japan has been further deepened and South Korea is falling in depth as a dual colony of the United States and Japan.

Statement 'Exposing' Anti-DPRK 'Moves' Reported

SK0801103494 Pyongyang KCNA in English 1015 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Robert Charvin, secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea, on December 22, 1993, issued a written statement exposing the United States and South Korean authorities' anti-DPRK, anti-popular moves and distributed it to UN nongovernmental and other international organizations.

The statement charged that the United States was kicking up a nuclear racket on the pretext of North Korea's "nuclear threat" with a view to justifying its acts of interference against Asia.

The Seoul "civilian government", it said, defined North Korea as "a danger" and has brought even the North-South dialogue to a deadlock, still following the methods employed by the former military dictatorial "regime", to continually intensify crackdown on the South Korean people.

The statement noted that the South Korean authorities, ignoring the righteous aspirations of South Korean students, have been ruthlessly trampling upon even the elementary human rights of the people and opened the rice market to jeopardize the existence of peasants.

It referred to the South Korean authorities' failure to urge Japan to pay compensations for the "comfort women for the Army".

Indonesia's Suharto on Solving Nuclear Question

SK0801101694 Pyongyang KCNA in English 1002 GMT 8 Jan 93

[Text] Pyongyang, January 8 (KCNA)—Indonesian President Suharto urged all parties concerned to sincerely contribute to creating the needed circumstances for talks on the solution of the nuclear issue on the Korean peninsula.

In a statement on the nuclear issue of the Korean peninsula he issued on January 5 in the name of the chairman of the Non-Aligned Movement [NAM], he recalled that heads of state and government of all member nations of the NAM, at the 10th summit conference of the non-aligned nations, had discussed the affirmative development for the peaceful reunification of Korea and realization of the joint declaration on the denuclearisation of the Korean peninsula and expressed support for them.

The president said that Indonesia, as the chairman-state of the NAM, had got a series of measures taken to create a climate favorable to a peaceful solution of the nuclear issue. Indonesia is firmly convinced that the Democratic People's Republic of Korea, a member of the NAM, is intending to solve the nuclear problem through negotiations, he said, and added: It welcomes the will of all parties concerned to solve the nuclear problem through negotiations.

Ecuadoran Officials Urge Resolution of Nuclear Issue

SK0801102794 Pyongyang KCNA in English 1010 GMT 8 Jan 93

[Text] Pyongyang, January 8 (KCNA)—Nelson Chavez, chairman, and Humberto Ortiz, coordinator, of the Ecuadorian Committee for Supporting Korea's Independent and Peaceful Reunification; Milton Burbano, chairman of the Ecuadorian Cultural Institute for the study of the chuche idea; Juan Carlos Camacho, Oswaldo Larriva, and Diego Delgado, parliamentarians of Ecuador; sent a letter to the United Nations secretary-general on December 29 over the situation on the Korean peninsula.

The letter said: "The government of the Democratic People's Republic of Korea demanded that the Armistice Agreement be replaced with a peace agreement and that the 'U.N. Command' in South Korea be dissolved. But the United States and South Korea answered this with nuclear war exercises and with a grave provocation by alleging that the DPRK was using its peaceful nuclear facilities for the 'production of nuclear weapons.'"

Noting that the United Nations is under moral obligations to see that the DPRK and the United States sign a peace agreement and contribute to the independent and peaceful reunification of Korea, the letter urged the UN secretary-general to show enough response to this end.

Daily Urges Reunification Through Confederal System

SK1001081394 Pyongyang KCNA in English 0450 GMT 10 Jan 94

["Consistent Principles and Line of WPK, Workers Party of Korea, and DPRK Government for National Reunification]

[Text] Pyongyang, January 10 (KCNA)—The three principles of independence, peaceful reunification and great national unity are the basic principles of national reunification which the Workers' Party of Korea and the government of the DPRK have consistently maintained, and reunification principles common to the nation which consummate the will and desire of the entire Korean people and which the North and the South agreed upon and declared at home and abroad, says NODONG SINMUN in a by-lined article today.

The great leader Comrade Kim Il-song put forward a proposal for founding the Democratic Confederal Republic of Koryo, a proposal of reunification in the form of confederation based on one nation, one state, two systems and two governments, as the most realistic and reasonable way of achieving the independent and peaceful reunification of the country on the three principles of national reunification, the article notes, and goes on:

The proposal of reunification through confederacy based on one nation, one state, two systems and two governments is to reunify the country by founding a unified one national state while leaving the different systems and governments existing in the North and the South as they are.

The DPRK's proposal for reunification in the form of confederation is one based on national unity, placing the interests of the nation above anything else.

It is also based on the fact that two different systems and governments may co-exist within one national state. The difference in systems and ideas cannot be a condition for keeping one nation divided into two forever, nor can it be an insurmountable obstacle in reunifying the North and the South. The two systems can co-exist within one nation, unified one state when they are based on the national commonness which has been carried down through a five thousand year long history.

The DPRK's proposal for reunification through confederacy indicates the way of reunification on the basis of the national idea placing the nation above the system, and it is the most reasonable proposal to realise the national reunification by means of forming one confederal state, taking into consideration the unanimous demand of the people who aspire after reunification and the national commonness which has been formed for a long period, under the present conditions in which the two different systems exist in the North and the South.

No matter how the situation may change, we will make all efforts in the future, too, to reunify the country through confederacy on the three principles of independence, peaceful reunification and great national unity in conformity with the will and desire of the whole nation.

Groups Support Confederacy Reunification Formula

SK0901084594 Pyongyang KCNA in English 0830 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification [Pomminnyon], Hyon Chun-kuk, chairman of the Central Committee of the Korean Journalists Union, and Kang Kwan-son, secretary of the Central Committee of the Korean Democratic Women's Union, published statements Saturday in support of the policy of national reunification set forth by the great leader President Kim Il-song in his New Year address.

Chairman Paek In-chun says that the principled stand of the Workers' Party of Korea and the DPRK Government on national reunification clarified by President

Kim Il-song in his New Year address is a highly important guideline indicating a clear way of achieving national reunification by the internal strength of the nation in the 90s.

"All the people in the Northern half of Korea, together with the fellow countrymen in the South and overseas, will wage a more vigorous struggle to make this year a historic year in opening a new phase for national reunification, meeting all manner of challenges of the imperialists and the South Korean authorities," he states.

Hyon Chun-kuk says that the only way of achieving the reunification of the country peacefully is to adopt the confederacy formula based on the three principles of national reunification. "All the journalists and editors in the Northern half of Korea will wield the pen more vigorously to implement the policy," he stressed.

Saying that the women should do their share in achieving the unity of the nation under the 10-point programme of the great unity of the whole nation, Secretary Kang Kwan-son ardently appealed to the Korean women in the North, South and overseas to turn out as one in the nationwide struggle for national reunification.

Namibian, Tunisian Leaders Support Reunification

SK1001060494 Pyongyang KCNA in English 0437 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—The head of state of Namibia and a party leader of Tunisia expressed support to the Korean people's cause of national reunification when they met with the Korean ambassadors to their countries.

Namibian President Sam Nujoma said Namibia would continue to support in the future, too, the Korean people in the struggle to realize reunification of the country.

He said the United States has not abandoned its aggressive nature toward other countries.

Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia, actively supported the tasks to glorify the cause of Korean-style socialism, the policy of national reunification and foreign policy set forth by the great leader Comrade Kim Il-song in his New Year address.

In the New Year, too, the DPRK will continue to exalt its might as a powerful country in the van of the developing countries, he said.

He hoped that the concrete wall, a symbol of Korea's division, would be removed and an epochal advance be made in the struggle of the Korean people to reunify the country.

Mozambican President Supports Reunification

SK0801103694 Pyongyang KCNA in English 1018 GMT 8 Jan 93

[Text] Pyongyang, January 8 (KCNA)—Mozambican President Joaquim Alberto Chissano received a Korean Agro-Technicians Cooperation delegation on January 3 and said there is no change in Mozambique's principled stand of supporting Korea's reunification.

Noting that the new year address of the great comrade President Kim Il-song indicates in detail the way of building socialism and reunifying Korea, he said Mozambique holds that Korea should be reunified according to the confederacy formula and 10-point programme of the great unity of the whole nation advanced by the president.

There is no other way but to carry the confederacy formula into effect for the reunification of Korea, he stressed, adding that the nuclear problem on the Korean peninsula must be solved through DPRK- USA talks.

Party Leader Supports Confederacy Formula

SK0901082094 Pyongyang KCNA in English 0802 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—The Mozambique Liberation Front Party fully supports the principle and way of Korea's independent and peaceful reunification clarified by the great leader Comrade Kim Il-song in his New Year address for this year, said Feliciano Salomao Gundana, secretary general of the party Central Committee, when he met with the Korean ambassador on January 4.

He said Korea should be reunified by the confederacy formula and the nuclear issue on the Korean peninsula solved through DPRK-U.S. talks.

"The United States and the South Korean authorities must refrain from laying obstacles in the way of Korea's reunification and take a sincere position and attitude towards the cause of reunification," he added.

Ukrainian President Sent Greeting by Kim Il-song

SK0901083194 Pyongyang KCNA in English 0809 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Ukrainian President Leonid Kravchuk on his 60th birthday.

President Kim Il-song in the message wished the Ukrainian president greater success in his work for the prosperity of the country and good health and happiness.

President Kim Il-song Greets Guinean President

SK1001063194 Pyongyang KCNA in English 0439 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to Lansana Conte on his election as president of the Republic of Guinea on January 8.

In the message President Kim Il-song said Lansana Conte's reassumption of important office as president is an expression of deep respect and trust of the Guinean people in him.

He expressed the belief that the friendly and cooperative relations between the two countries would consolidate and develop still further in the future, and wished the president greater success in the work for the prosperity of the country.

SPA Chairman Sends Message to Peruvian Counterpart

SK1001104994 Pyongyang KCNA in English 1015 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—Chairman of the DPRK Supreme People's Assembly [SPA] Yang Hyong-sop sent a message of greetings to Jaime Yoshihama Tanaka upon his reelection as chairman of the Democratic Constituent Assembly of Peru.

The message expressed the belief that the friendly cooperative relations between the DPRK Supreme People's Assembly and the Democratic Constituent Assembly of Peru would develop more favourably in accordance with the interests and aspirations of the two people and wished him greater success in his responsible work.

Condolences Sent on Lao Party Adviser's Death

SK1001104194 Pyongyang KCNA in English 1006 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—The Central Committee of the Workers' Party of Korea Sunday sent a message of condolences to the Central Committee of the Lao People's Revolutionary Party [LPRP] upon the death of Phoumi Vongvichit, advisor of the LPRP Central Committee.

The message says that upon hearing a sad news over the death of Phoumi Vongvichit, the Central Committee of the Workers' Party of Korea expresses deep condolences to the Central Committee of the Lao People's Revolutionary Party, the government of the Lao People's Democratic Republic and the Lao people.

Vice President Kim Yong-chu Meets Egyptian Envoy

SK1001103894 Pyongyang KCNA in English 0958 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—Vice President Kim Yong- chu [Kim Il-song's younger brother] today met and had a talk with Egyptian Ambassador to Korea 'Ali Hijazi who paid a courtesy call on him at the Mansudae Assembly Hall.

Present on the occasion was Vice Minister of Foreign Affairs Kim Yong-il.

South Korea

Ambassador to U.S. Discusses Bilateral Relations

SK1001121094 Seoul CHUNGANG ILBO in Korean 10 Jan 94 p 5

[Interview with Han Sung-su, ROK ambassador to the United States, by Washington-based correspondent Chin Chang-uk in Washington; date not given]

[Text] [Chin] What is your assessment of the current relations between the ROK and the United States?

[Han] The top leaders of the two countries have consolidated their friendship through the two rounds of ROK-U.S. summit talks last year. The United States assesses the ROK quite positively because of its political and economic reform and opening-up policy, and relations between the two countries are now smoother than ever.

Both the ROK and the United States have had difficulty because of the nuclear issue, but they have maintained firm mutual cooperation on the issue. In conclusion, I do not think we will have any problem in relations with the United States in the new year.

[Chin] How will ROK-U.S. relations develop in the new year?

[Han] Because the United States is likely to strengthen its economic diplomacy with China and Japan in the new year, we need to do our best to prevent this from exerting negative influence upon our country.

In its trade with the United States, Japan keeps the balance of $50 billion in the black a year. Due to its continued economic slump, however, Japan cannot easily find an effective way to avoid its trade imbalance. Accordingly, economic diplomacy between the United States and Japan will undergo vicissitudes this year.

When the United States agreed to extend the term of the most-favored-nation treatment for China last year, it added a provision that China improve its human rights situation. This is likely to become the point at issue in relations between the two countries this year.

The United States seems to be determining that there has been no considerable improvement in human rights in

China. Accordingly, I think, the United States and China will go into a dispute over the extension of the term of the most-favored-nation treatment for China this year.

Among the three Northeast Asian countries, the ROK is the only country that maintains a trade balance with the United States. Therefore, the ROK will have no economic friction [kyongje machal] with the United States. As it is possible, however, that the U.S. approach toward China and Japan will affect us any way, we have to prevent its negative affect.

[Chin] What do you think are our prospects for trade with the United States this year?

[Han] The ROK registered negative growth in its exports to the United States in 1991 and 1992. Owing to the rehabilitation of the U.S. economy to a certain degree, the growth of ROK exports to the United States for 1993 was up 1 percent from 1992. As the U.S. economy is expected to progress more favorably this year, I will make efforts to increase our trade with it.

Particularly, it is important to induce the ultramodern U.S. industries to advance into China and Japan with the ROK as a stepping-stone.

[Chin] What is our diplomatic policy toward the United States for the future?

[Han] The ROK diplomacy with the United States was somewhat subordinate to the Japan-oriented diplomacy of the United States in the past.

The ROK should now abandon its position as a subordinate variable of U.S.-Japanese diplomatic relations and establish its independent relationship with the United States.

The ROK has already become a country that the United States needs politically, militarily, and economically. By strengthening this position, the ROK is now developing independent relations with the United States.

Thus, the ROK should discard its government-oriented diplomacy and develop a ranging diplomacy involving the parliament and academic, press, and business circles.

YONHAP Reports on Visit of Senators Nunn, Lugar

Meet With President Kim

SK1101021794 Seoul YONHAP in English 0210 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—President Kim Yong-sam stressed Tuesday [11 January] closest South Korea-U.S. cooperation and understanding now on the North Korean nuclear problem while repeating that the problem has to be solved for Korean and regional peace.

Kim met with visiting American senators Sam Nunn and Richard Lugar over breakfast and requested continued support from the U.S. Congress for such cooperation, Spokesman Chu Ton-sik said.

Nunn, chairman of the Senate Armed Services Committee, and his entourage came to Seoul after visiting Russia on what officials here called a field trip.

The spokesman said there was no discussion of sanctions on North Korea in case diplomatic dialogue fails but described the senators visit as intended to gather necessary information on various possibilities if sanctions become inevitable.

Nunn reaffirmed the U.S. security commitment to Seoul, recalling President Bill Clinton's words that an attack on South Korea is an attack on the United States. This, he said, was the position of the United States.

He called South Korea-U.S. cooperation an invaluable prerequisite to stability on the Korean peninsula and added that American troops need to stay in South Korea, the spokesman said.

The senators return to Washington later Tuesday.

Hold News Conference

SK1101074094 Seoul YONHAP in English 0733 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—North Korea has to answer for its past terrorist activities and resolve its suspected missile exports as preconditions to better relations with the United States, two American senators said Tuesday.

This is in addition to demands that North Korea comply fully with International Atomic Energy Agency (IAEA) inspections and engage in dialogue with South Korea, they said.

Seoul and Washington share two common goals, Senators Sam Nunn and Richard Lugar told a press conference winding up a four-day visit to Seoul.

The goals are to preserve peace and stability on the Korean peninsula, avoid proliferation of nuclear weapons and prevent North Korea from becoming a nuclear state, they said.

"This challenge we face together, I believe, has to be met with firmness, determination and calmness," said Nunn, chairman of the Senate Armed Services Committee.

North Korea must satisfy the IAEA on inspections of all declared and undeclared sites, Nunn listed as one of the terms to bettering ties with North Korea.

It must also accept all legitimate demands "made by the IAEA for the purpose of assuring the world that North Korea is in compliance with the Nuclear Nonproliferation Treaty and its obligation," Nunn said.

North Korea would also have to sit down to discuss with South Korea denuclearizing their peninsula.

"Beyond that, there would have to be some understanding and discussions regarding North Korea's past behavior in terms of terrorism, and also including the case for missile technology," he told reporters.

Nunn described North Korea's unexpectedly frequent return of the purported remains of missing American soldiers from the Korean war over the past few months as "one encouraging sign" and said solution of the nuclear problem would be a "very important first step."

The senators' visit has been described as a field trip to tap all possible countermeasures to North Korea's nuclear problem. They came to Seoul after making stops in Moscow and Tokyo.

Asked about the viability of economic sanctions and military strikes should diplomatic efforts fail, Lugar advised the involved parties to be "thoughtful and careful."

He repeated President Bill Clinton's words that an attack on South Korea is an attack on the United States.

"We ought to say we are prepared for all contingencies," Lugar said. "But my own view is we ought to be thoughtful, patient and persistent and that time is on our side."

It's important to apply pressure "without being provocative, dramatic," the senator said.

Tying what he saw in Russia with North Korea, Nunn warned of economic collapse if Pyongyang continues on its present path.

"There is a powerful lesson in here (Russia) for North Korea," he said.

"It's apparent that a nation cannot continue to really have an economy that sustains its people if it invests the kind of percentage of GNP in defense that Russia did in the past and North Korea continues to do today," he said.

Prospects for U.S.-DPRK Rapprochement Examined

SK1001134594 Seoul KYONGHYANG SINMUN in Korean 10 Jan 94 p 6

[Article by correspondent Kim Hak-sun from the "International Focus" section]

[Text] The improvement of relations between the United States and North Korea and between Japan and North Koeea which is believed to be realized this year with the appearance of a clue to the solution of the North Korean nuclear issue is drawing our attention. Depending on North Korea's attitude, there is a high possibility that North Korea and the United States will establish their respective embassies in Washington and Pyongyang within one to two years.

Diplomatic observers predict that if the present trend continues as it is, the third round of high-level U.S.-North Korean talks will be held in February to discuss the matter of improving diplomatic relations and economic cooperation between them, including the matter of eliminating the suspicion of North Korea's nuclear development.

Because North Korea is the most closed society in the world and distrust between the United States and North Korea is so deep, there are many obstacles that should be eliminated before diplomatic relations are realized between them.

North Korea's Attitude Cannot Be Foreseen

In view of the present situation we can hardly foresee what will happen in the negotiations between the United States and North Korea even before they realize the third round of their high-level talks. This is because North Korea's attitude so far has made us believe so. For instance, bilateral negotiations that we had believed to be successful have suddenly returned to the starting point so frequently that even experts could hardly make estimates.

At present North Korea has agreed with the United States on nuclear inspections and the resumption of North-South dialogue. However, many experts wonder if North Korea will sincerely discuss detailed procedures for the inspections with the International Atomic Energy Agency [IAEA] and will provide sincere coordination to the IAEA inspections.

Diplomatic experts who are critical of North Korea's negotiation attitude diagnose that "it is difficult to expect a de facto dialogue between North and South Korea because North Korea has persistently employed the policy of splitting up the cooperative relations between South Korea and the United States particularly in connection with the issue of North-South Korean dialogue." Of course, South Korean and U.S. officials concerned believe that North Korea will have to offer coordination to some degree if it finds this necessary.

The United States thinks that if North Korea sincerely shows its intention to hold dialogue with South Korea, the ROK Government will not oppose the third round of U.S.-North Korean high-level talks even before the exchange of special envoys to discuss the North- South mutual nuclear inspection issue is realized.

Many experts on North Korean affairs, including senior researcher (Leonard Spector) at the Carnegie Foundation, diagnose that because its present internal and external realities are completely different from those of the past, North Korea will inevitably seek even partial opening up and internationalization within a scope that does not hurt its present political system.

Estimating the overall situation, it is almost certain that the third round of U.S.-North Korean high-level talks will be held within several weeks. The U.S. Government position is that North Korea and the United States, which have had hostile relations for half a century, can discuss all pending issues, including the North Korean nuclear issue, at the third round of talks where they are to discuss the matter of improving political and economic relations.

Normalization May Hardly Come

If the third round of high-level talks are held, the United States is expected to put forward seven demands to the North Korean side, namely, the complete return to the NPT [Non-Proliferation Treaty], special inspection of two undeclared nuclear sites; tangible progress in inter-Korean dialogue, including mutual nuclear inspections; suspension of missile exports; improvement of the human rights situation; return of the remains of U.S. soldiers killed in the Korean war; cessation of terrorist activities; and suspension of denunciation of the United States. These demands were put forth also by the Bush administration as a precondition for the improvement of U.S. relations with North Korea.

On the other hand, the North Korean side is expected to come up with all the pending issues it wishes to solve with the United States—such as the normalization of relations; assistance in building light-water moderated reactors; the abolition of the Armistice Agreement and the signing of a peace agreement; the disbanding of the UN Forces Command and the withdrawal of U.S. troops from the ROK; lifting the restrictions on trade with and investment in North Korea pursuant to the U.S. law on trade with hostile states; lifting the ban on communications; a promise not to wage a preemptive nuclear strike on North Korea and not to use nuclear weapons against the North; economic cooperation; and assistance with North Korean entry into international economic bodies—and a call for a package solution, according to diplomatic sources in Washington.

Will it be possible that all these problems are solved as a package deal in the third round of talks and bring about the normalization of U.S.-North Korean relations within this year? To this question, even the most optimistic observers are expressing doubts.

Both sides intend to carry through all of their demands in the third round of talks, but it is practically impossible to settle so many pending issues at one stroke.

Indeed, North Korea is eager to normalize its relations with the United States, but if it fails to be so successful as establishing its embassy in the United States, it may well try to establish a liaison office or a trade mission within this year to concentrate on economic cooperation, according to an analysis of diplomatic experts.

U.S. Under Secretary of State Lynn Davis stressed on 5 January that in the third round of talks, the United States will certainly induce North Korea to accede to special inspections.

Flexibility for Special Inspection

The experts, however, are of the opinion that North Korea will take a stubborn attitude of refusing to permit the first ever special inspection of the undeclared nuclear sites by the IAEA, thus using it as a card for negotiation.

Because of this position of North Korea, the third round of talks is likely to come up against quite a few difficulties. Therefore, four or five or more round of talks could be necessary, involving many rounds of unofficial contacts for each of them.

However, as to the method of nuclear inspections, the United States and the IAEA hinted a flexibility of considering methods that could bring about the effect of inspection close to the special inspection without using the term "special inspection." This enhances the chances for reaching compromise. There is a high probability that the special inspection will be linked with the inter-Korean mutual nuclear inspection including inspection of the U.S. military bases in the ROK, thus complicating the process for the solution of the problem, diplomatic sources said.

The officials, in particular, revealed that there is a high possibility that the North Korean side will utilize this issue as a means for "adjustment of speed." Diplomatic observers in Washington believe that there was a previous instance that North Korea suspended the mutual visits of separated families while it was partially pushing ahead with them after having judged that the visits were harmful to maintaining its system. Therefore, it is highly likely that North Korea will push for the improvement of relations with the United States while continuing the political and diplomatic evaluation of its efforts for the improvement.

Dependence on Adjustment of Speed by the North

Meanwhile, the U.S. side is regarding the issue of missile proliferation as a very sensitive issue no less than the nuclear issue. Therefore, it is likely that the United States will not allow the improvement of relations without the solution to this problem. At the same time, the observers predict that the human rights issue, to which the Clinton administration attaches as much importance as that to nonproliferation of mass lethal weapons, will emerge as a major pending issue when ambassador-level envoys are exchanged, although the issue may not be a grave obstacle at the stage of establishing liaison offices.

A U.S. State Department official said that "one should pay keen attention to the development of ROK-China relations before reading the script of improvement of U.S.-North Korea relations," thus strongly suggesting a method of step-by-step approaches.

In addition to the U.S. Government, a diplomatic expert who maintains close relations with North Korea noted that "epochal steps, including the disbanding of the UN Command and replacement of the Armistice Agreement with a peace agreement, should be taken before the two sides formally establish diplomatic relations." He added that "it seems that this issue will not be resolved simply in the future few months" and that "the establishment of mutual liaison offices within this year itself, if realized, should be assessed as successful."

He revealed that "North Korea seems to wish that the United States will open communications with North Korea first of all, exclude North Korea from being subject to application of the law on trade with hostile countries, and open the door for economic relations with it." He pointed to the great possibility that North Korea will attach greater importance to economic cooperation than to formal diplomatic relations, which will rapidly accelerate its opening up, in a bid to maintain its system.

He observed that the North Korean side's request for U.S. support for construction of a light-water atomic reactor is aimed at making the United States lift its restrictions on investment and trade. Some other observers note that there is a possibility that North Korea will, as in the past, pursue a "package deal solution." However, North Korea is not in a position to immediately accept all of the U.S. side's demands.

In conclusion, it is a common view of experts that the script concerning the establishment of diplomatic relations between the United States and North Korea will vary in different forms according to the degree of adjusting the speed by the North Korean side. There is also a pessimistic view that even the establishment of liaison offices will not be possible within this year.

YONHAP Reports Decrease in Inter-Korean Trade

SK1101034594 Seoul YONHAP in English 0256 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—Inter-Korean trade fell 6 percent in 1993 from 1992 because of North Korea's foreign exchange situation and overall coolness in relations, the Trade, Industry and Energy Ministry said Tuesday.

Two-way trade last year was 200,643,000 U.S. dollars, compared with 213,503,000 dollars in 1992.

South Korea sold 10,224,000 dollars of goods to the North, down 20.2 percent, and purchased 190,419,000 dollars of goods, down 5.1 percent.

Purchase of goods processed on commission in North Korea, mainly textile goods, skyrocketed 729 percent to 4,388,000 dollars in nine cases last year.

In processing on commission, South Korean companies provide North Korean factories with raw materials and buy the finished products.

"North Korean technology to manufacture high-value added products, such as jackets and men's suits is very good, and the products are competitive on the Japanese market as well as on the domestic market," a Ministry official said.

Industrial goods accounted for 89.3 percent of the purchased North Korean goods, compared with 80.8 percent a year before, but the proportion of agricultural products decreased to 10.7 percent from 19.2 percent in 1992.

Purchases of gold ingots, textiles, walnuts and alcoholic beverages increased, while those of cement, oriental medicines and fisheries products dropped.

Report Shows Little Foreign Investment in DPRK

SK1101033994 Seoul MAEIL KYONGJE SINMUN in Korean 11 Jan 94 p 2

[Text] It has been learned that even though North Korea enacted laws aimed at attracting foreign capital in 1992, including a law guaranteeing foreign investment, only three joint-venture businesses have been set up in North Korea.

In addition, the number of joint-venture companies doing business in North Korea has diminished from 120 to 20, Yi Yong-tok, deputy premier and national unification minister, said on 10 January in a report to the National Assembly Foreign Affairs-Unification Committee.

According to the report, the three joint-venture companies that were established in the last year are Aeguk Adhesion Plant, Aeguk Color Television Assembly Plant, and Myongsim Joint-Venture Company manufacturing graphite, which are all jointly invested with Japanese companies.

The report revealed that there is a great possibility that North Korea has transferred initiative for economic policies from the Workers' Party of North Korea to the Administration Council as part of a policy attaching great importance to professionalism rather than partisanship.

NUB Delivers Report on Trends in North Korea

SK1101063294 Seoul TONG-A ILBO in Korean 11 Jan 94 p 5

[Article by Pak Che-kyun]

[Text] It is estimated that because of the damage caused by the cold weather last year in North Korea, the harvest of its major grains, including rice and corn, has decreased by 15-20 percent compared with the average crop of 5.10 million tonnes. In the case of steel production, however, due to reinforcement of facilities at the Chollima steel mill in Nampo city and the Hwanghae steel mill in Songnim city, production has increased by about 200,000 tonnes.

At the National Assembly Foreign Affairs and National Unification Committee on 10 January, the National

Unification Board [NUB] reported on trends in North Korea based on recently obtained information. The following are trends in North Korea in the political,' economic, military, and social fields, as reported by the NUB.

Politics

It seems that while strengthening the unity centered on the two "leaders" Kim Il-song and Kim Chong-il, the "Kim Chong-il era" will be formulated on a full scale. At the 8 November 1993 journalists congress, North Korea called President Kim Il-song "the great leader," and Kim Chong-il, chairman of the National Defense Commission, "the sagacious leader of our party and people."

Nevertheless, dissatisfaction over Kim Chong-il is increasing among the North Korean people. There are rumors of discontent by the people saying: "Rice and meat were sufficient in the seventies but our lives became difficult from the time the "thoughtless child" Kim Chong-il started to carry out politics." Therefore, the North Korean authorities are strengthening surveillance of the people through the State Security Defense Department, which has been placed under the control of Kim Chong-il.

Economics

During the early part of last year the volume of trade with China, North Korea's largest trading partner, increased 39 percent compared with 1992. Export was $120 million and import was $310 million. However, the volume of trade with Japan decreased by 2.6 percent compared with 1992. Export was $110 million and import was $110 million.

In 1992 North Korea established a series of laws to lure foreign capital, such as the foreign investment law. Nevertheless, in 1993 only three joint venture companies were set up. Among the 120 joint venture companies established in North Korea, only 20 remain at this time.

The provisions North Korea imported from Thailand, Canada, China, and other countries from January to August last year amounted to 645,000 tonnes. It is expected that the crude oil North Korea imported during the first half of the last year amounted to 1.1 million tonnes. It seems that the electric power situation in North Korea has worsened. It has been learned that the operations of large plants and power stations, including the Sunchon vinalon complex, Sariwon potash fertilizer plant, and Tongpyongyang thermal power station, have actually stopped. It has been reported that to overcome such an economic difficulty, the party has transferred the task of working out economic policy to the Administration Council.

Military

North Korea has constantly built up war potential by deploying additional large-caliber long-range guns along the front line and by reinforcing district commands. By deploying 170-mm self-propelled artillery with a range of 54 km and 240-mm multiple rocket launchers with a range of 70 km along the front line, North Korea brings Seoul and Suwon into target range. In addition, North Korea has augmented the three division-level district commands of Yanggang Province, Chagang Province, and North Hwanghae Province into corps level.

Setting up last year as the "year to complete war preparations," North Korea has stockpiled war supplies large enough to conduct war for three or five months without external supplies. It has also reinforced underground facilities.

Society

Capitalist concepts are flowing into North Korea through foreign students, traders, diplomats, and Chinese compatriots. Western-style fashions are spreading among youth. Youth with long hair have been appearing in Pyongyang City since 1987. Since 1988, youth have enjoyed listening to rock music and disco dancing in secret. Blue jeans and bell-bottomed trousers have been catching on among youth since 1990.

As a result of life difficulties, phrases, such as "Let us live together," "Let us share things equally," and "Let us make an arrangement," are catching on among residents. Even slang—calling thieves "life coordination committees," calling robberies "redistribution of wealth," and calling stolen goods "life coordination committee's goods"—are spreading.

Since 1989, private loan businesses have been frequent among black-market merchants in North Hamgyong Province districts. The Korean card game, "go-and-stop," has been spread in North Korea by Chinese compatriots and Chinese emigrants.

Paper Says DPRK Emphasizing Confederal System

SK1101082194 Seoul CHOSON ILBO in Korean 11 Jan 94 p 23

[Article by reporter An Hui-chang]

[Text] North Korea is calling for reunification through the confederal system and is urging our youth and students to carry out "the reunification struggle" from the beginning of the new year. In his New Year address, Kim Il-song emphasized that "the only method for reunification" is through the confederal system. Also, from 1-7 January North Korea concentratedly discussed the reunification issue on 24 occasions through press statements by its high-ranking authorities and special articles.

Kim Pyong-sik, DPRK vice president and chairman of the Korean Social Democratic Party, emphasized on 4 January: "All fellow countrymen in the North, South, and overseas must transcend differences in ideology, ideas, political views, and religion under the banner of the 10-point program of great national unity to firmly unite as one so that they can all vigorously launch into the work to found a pannational reunified state through the confederal system method."

In the 3 January special article aired by Pyongyang radio it emphasized: "The South Korean youth and students, who are enthusiastically patriotic and who have a strong sense of justness, must firmly unite with the people from all walks of life in the new year to vigorously carry out the struggle to achieve reunification through the confederal system method."

In particular, North Korea is instigating our youth and students by saying that "there is nothing to expect from the current South Korean Government." North Korea is denouncing our government by saying that there is no progress in the reunification issue because of the South side's dependency on outside forces and the promotion of its confrontational policy.

Such moves by North Korea is related to the fact that North Korea is working to make 1995 "the first year of reunification." This implies various significance.

It is not known exactly when but there are rumors by the North Korean people that "1995 will be the year of reunification." This was also shown when the North Korean people unhesitatingly told the members of our delegation of such moves who went to Pyongyang from 1990-1992 to participate in the South-North high-ranking talks. However, it is not clear whether North Korea officially set such a date for reunification.

At the 7 November 1988 combined meeting of party organs, Foreign Minister Kim Yong-nam had emphasized: "We must work to make the year 1995, the 50th anniversary of national division and 50th anniversary of the fatherland's liberation, as a historical year in completing the sacred cause of reunification without fail." Through propaganda media toward South Korea such as the South Korea National Democratic Front, North Korea frequently said "1995 is the first year of reunification."

The government views that such moves by North Korea are to unconsciously make the "South and North Korean people" realize that "reunification will be achieved in 1995." Thus, this is viewed as a strategy to make a more favorable condition to form a reunification front. In particular, from last year North Korea has been promoting on a full scale the preparation work to strengthen the reunification front. Such work is "the 10-point program of great national unity" announced by Kim Il-song, and the appointment Kim Pyong-sik and Yu Mi-yong (wife of Choe Tok-sin) who are from the South and overseas fellow countrymen, and Kang Chu-il who was in charge of operations of the pro-Pyongyang Federation of Korean Residents in Japan, as directors of the party reunification front.

We can view that there are some strategic intentions based on advance work for North Korea to strengthen propaganda on the reunification issue from the beginning of the new year. In this connection an official of the National Unification Board said: "When considering the fact that next year will be the first year of reunification is widely spreading among the people, it seems that the priority goal of North Korea is to seek unity at home and abroad by turning the interest of the people to the reunification issue."

He added: "Another intention of North Korea is to lure the antigovernment struggle through the reunification issue. Therefore, it seems that this year North Korea will work to actively improve its relations with the United States, while carrying out a multifaceted offensive against the South based on the reunification front strategy."

Business Sector Urges Review of Policy on DPRK

SK1001135894 Seoul MAEIL KYONGJE SINMUN in Korean 10 Jan 94 p 2

[Text] Since it was confirmed that the United States and Japan exported rice and some other products to North Korea, a strong call for the comprehensive review of the government's policy on North Korea to link the nuclear issue with economic cooperation has been put forward from the business sector.

On 9 January, a relevant official from the business sector said: We recently received a request from North Korea for the export of rice, maize, and gasoline. Since the United States exports rice to North Korea, I do not see the reason why we cannot export rice to North Korea.

According to the annual report recently submitted to the U.S. Congress by the U.S. Department of Commerce, the U.S. Government, which officially banned export of goods to North Korea, allowed export of grains including rice and some other products from the humanitarian view of point. The total amount of export was learned to be $137 million in seven cases during the fiscal year 1992.

Another relevant official from the business sector said that "in addition to the United States, Japan exported even strategic materials to North Korea through the General Association of Korean Residents in Japan. Recently, Japan is actively striving to hold official and unofficial contacts with North Korea to resume negotiations for establishment of diplomatic relations. This being the case, if our economic cooperation with North Korea is linked to the nuclear issue and our export of rice is restricted on the pretext of being a strategic material, it would be difficult for the government to effect its policy to achieve national reunification by making North Korea open itself up."

Sin Chang-ho, professor at Chungang University and chairman of the Research Institute of Unification and Economy, also pointed out:

Even if North Korea agrees to accept nuclear inspections by the International Atomic Energy Agency [IAEA], it will require a number of procedures and much time to ensure nuclear transparency. The present situation, in which a clue is found for the solution of the nuclear problem through contacts between the United States and North Korea and between North Korea and the IAEA, is an adequate time for our government to demonstrate flexibility in its policy on economic cooperation with North Korea.

Meanwhile, it was learned that the government began to examine the flexibility to be given to the principle of implementing phased economic cooperation according to progress in negotiations over the North Korean nuclear issue and to the degree of solution of the nuclear issue.

A relevant government official said: During U.S.-North Korea contacts, North Korea agreed in principle to accept inspection of seven nuclear facilities. Therefore, the necessity arose to intensively examine the first-phase policy which defined "a breakthrough for solution to nuclear issue," the second-phase and the third-phase policies.

In particular, if North Korea accepts IAEA's nuclear inspection and responds to the exchange of special envoys, the government will affirmatively review the time of visit to North Korea by businessmen and technicians and their advance to free economic zones in North Korea through third countries including China.

In the event that North Korea completely returns to the nuclear Non-Proliferation Treaty and accepts the inspection of two undeclared sites by IAEA, the government, regarding this as a "breakthrough for a solution to the nuclear issue," will permit the businessmen's visit to North Korea, as well as the visit of technicians in a bid to invigorate processing-for-wage deals.

In addition, the government will resume model projects if North Korea accepts mutual inspections of the North and the South and will resume overall economic cooperation if denuclearization of the Korean peninsula is realized.

Organ for Economic Cooperation With Japan To Open

SK1001092994 Seoul KYONGHYANG SINMUN in Korean 10 Jan 94 p 2

[Text] The ROK and Japan have agreed to set up the ROK-Japanese Organization for New Economic Cooperation in March and, thus, will enter activities in a full-fledged manner.

As President Kim Yong-sam and Japanese Prime Minister Hosokawa, during the November summit, agreed in principle to establish a new consultative organ to discuss economic issues, the two countries have been engaged in mapping out plans in details and recently reached a deal to found the organization, according to a Foreign Ministry official on 9 January.

The ROK-Japan Organization for New Economic Cooperation will comprehensively deal with various bilateral issues—including economy, trade, measures to cope with a trade imbalance, and cooperation in industrial technology—unlike its past way of tackling bilateral economic issues by each field.

More Aid Pledged for UN Commission on Refugees

SK1001034794 Seoul YONHAP in English 0259 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—South Korean Foreign Minister Han Sung-chu pledged more voluntary contributions to UN aid for refugees in addition to manpower donations Monday.

Han promised visiting UN High Commissioner for Refugees Sadako Ogata wider assistance for the commission, said Ham Myong-chol, director-general of international organizations.

Seoul's contribution to the United Nations as a member state accounts for 0.69 percent of the U.N. budget, but its voluntary donations to other international bodies such as the commission is 0.04 percent.

Korea gave 150,000 U.S. dollars to the commission last year, when it joined the convention on better protection and welfare of the refugees. This ranks 28th among the 48 contributor nations.

While increasing the amount of monetary donations, Han said, the government could send medical and other emergency aid teams to troubled areas.

These teams may be sent as part of youth volunteer programs at the Korea International Cooperation Agency (KOICA), a Foreign Ministry umbrella institution, he said.

Seoul To Sign Investment Protection Pacts

SK1101003494 Seoul THE KOREA TIMES in English 11 Jan 94 p 2

[Text] The government plans to conclude investment protection agreements with 10 developing nations this year to help domestic companies invest more easily in the countries, Foreign Ministry officials said yesterday [10 January].

The nations involved are India, Hong Kong, Papua New Guinea, Mexico, Argentina, Chile, Panama, Egypt, Algeria and Kazakhstan.

An official said that the countries are expected to attract more investment from Korean companies. As of the end of last June, Korean firms had invested an estimated $365 million in the 10 countries.

Domestic companies are expected to be active in investment in India in the wake of Indian Prime Minister Narasimha Rao's visit to Seoul last September, the official said.

With Hong Kong, Korea should take action after 1997 when the island state will be handed over to China, he said, adding that there has been no investment pact signed by the two sides although Korea and China concluded a similar pact last year.

Mexico is important as it is a member of the three-nation North American Free Trade Agreement (NAFTA) put into effect Jan. 1 this year. Mexico without investment guarantee pacts with foreign countries due to a constitutional ban is seeking such pacts to attract foreign investment, he said.

The agreement with Argentina will be signed soon as obstacles have been brushed away, the official said. The government is also seeking an agreement with Kazakhstan as domestic companies are eager to invest in the country which has a large number of ethnic Koreans.

Korea has concluded investment protection pacts with 24 countries and initialed them with eight.

Foreign Firms Sue for Patent Right Violations

SK1101022494 Seoul YONHAP in English 0131 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—The Iljin Group, ordered by a U.S. Federal District Court to stop manufacturing synthetic industrial diamonds for allegedly pirating a trade secret of General Electric Co., joins a club of Korean companies wounded in fierce rows with foreign firms and inventors over patents.

According to a survey by the Korean Industrial Property Office (KIPO), Samsung Electronics Co., Goldstar Co., Hyundai Electronics Co., Daewoo Electronics Co., Goldstar Electron Co., and Samsung Electron Devices Co. received 220 warnings and were slapped with 13 lawsuits by foreign companies for patent violations between 1990 and 1993.

Among the foreign complainants, American companies such as IBM, Microsoft, Intel, SGS Thomson, and Texas Instruments account for 61.3 percent with a total of 143.

Patent quarrels do not end at corporations, but are frequently brought up by inventors like Gerome Lemelson and Gilbert Hyatt of America, who demand high royalties for their discoveries.

Lemelson won royalties of 21 million U.S. dollars from Goldstar, Samsung, and Goldstar Electron, equivalent to the 1986-1995 exports of the three companies, last year for his patents on 33 technologies, including computer image analysis, camcorders and laser discs.

He is said to be now negotiating royalties with Hyundai, Daewoo, and Hyundai Motor Co.

Backed by Philips, Hyatt is seeking his patent dues for 20 computer and semiconductor items and has sent warnings to Samsung, Goldstar and Daewoo to pay royalties equal to 1 percent of their turnover.

Refac Co., a U.S. agency fighting for patent rights on behalf of American clients, brings up technologies that have long been disregarded in the United States, according to KIPO officials.

Thirty cases, or 13 percent of the total complaints and lawsuits, were lodged by Refac.

Korean companies pay royalties because the inventors have no commercialized product in America that they can trade with their patented articles, officials say.

Corporations prefer "cross license" contracts for patent exchanges instead of royalties, they say.

American companies do not touch Japanese firms lest they be counter-sued with their negotiating abilities in intellectual property rights, they say.

Seoul To Encourage Overseas Corporate Investment

SK1101082894 Seoul YONHAP in English 0728 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—The government will seek to increase corporate investment overseas through increased foreign exchange loans from the Bank of Korea to head off pressure for increasing the money supply in the overseas sector and strengthening the won against the U.S. dollar, as the overall balance of payments position is expected to improve from last year's surplus of 6.5 billion U.S. dollars to 10 billion dollars this year.

The balance of payments comprises current transactions (international trade of goods and services) and capital transactions (international trade of securities and debts).

To increase foreign-exchange loans for increased corporate investment overseas, the Bank of Korea will improve the terms, including lower interest rates and longer repayment periods than foreign bank loans, Economic Planning Board officials said Tuesday.

The introduction of foreign commercial (bank) loans will be limited to those importing equipment needed in infrastructure expansion projects.

The settlement period for imports on a deferred payment basis will be extended and the ceiling on export advance receipts will be raised to increase trade on a short-term credit basis, the officials said.

To expedite overseas investment, the number of corporations eligible to invest overseas will be increased, restrictions on real estate investment abroad will be eased and support will be given to those investing in agricultural and resources development projects overseas.

The number of institutional investors eligible to invest in foreign capital markets will be expanded, along with an increase in their overseas investment ceiling, while the Bank of Korea's swap system, whereby investors buy foreign exchange from the central bank with resale agreement, will be expanded for increased investment in the foreign securities market.

In addition, the export-import Bank of Korea's funds supporting exports on a medium- and long-term credit basis will be increased, restrictions on settlement of current transactions in foreign exchange will be eased and rules governing the raising of funds denominated in foreign currencies in the countries where a company operates will be improved to their advantage.

Yen Depreciation 'Alarming' Business Community

SK0801084494 Seoul THE KOREA TIMES in English 8 Jan 94 p 16

[By staff reporter Choe Won-sok]

[Text] The slight but steady decline of the Japanese yen's value against the U.S. dollar is alarming Korean business concerns which have already set their business plans for this year out of the assumption that the Japanese currency may further appreciate.

They are of the opinion that they will have to adjust their projected investments and turnout and export goals downwards in case the present depreciation trend of the yen against the greenback continues.

They fear that their business projects set for the year won't be able to be carried out as scheduled.

To cope with the impact of the changing value of the Japanese currency on their business, they are strengthening their international financing teams as a way to reinforce their roles in estimating foreign exchange fluctuations.

They are also groping for steps for each of their products to counter the clout of the yen's depreciation. But they are troubled as they have not found practical measures as yet.

They estimated the exchange rate of the Japanese currency against the U.S. dollar at the onset of the year at 105-107 yen per greenback, while predicting the yen's value would drop in the second half of the year.

They were unanimous in believing that even though the value of the yen against the U.S. dollar drops, the exchange rate will not fall below 110 yen per greenback.

Based on their conjecture of how the value of the yen will fluctuate, they mapped out their business plans for the year including their export and total sales targets.

However, their estimation of the yen's value against the greenback proved wrong from the start of the year as the parity rate hovers between 112-113 yen per collar at present.

On Jan. 4, the exchange rate soared to 113.27 yen per dollar. It dropped to 112 yen yesterday.

Some monetary experts even forecast that the parity rate would soon rise to the level of 120 yen per dollar. The depreciation of the Japanese currency to the 120 yen level will deal a deadly blow to Korean products in international markets.

Last year, Korea enjoyed an estimated $15-20 million trade surplus on a current account basis, the first figure in the black since 1989, which was mainly attributed to the strong value of the Japanese yen against the U.S. dollar and other major currencies in international money markets.

A researcher at the Samsung Economic Research Institute predicted that the present low value of the Japanese currency would continue to persist for quite a while.

He said that the prolonged depreciation of the yen will seriously afflict exports of such major products as cars, ships and electronics.

It is generally expected that auto-makers, which regained their export competitiveness last year thanks to the appreciation of the Japanese yen, will be hit hardest.

An official at Hyundai Motor said that the parity rate of the Japanese yen against the U.S. dollar is running in a disadvantageous direction for Korea quite contrary to general expectations.

He worried that as long as the value of the Japanese yen against the U.S. dollar remains weak, it is inevitable for Korean cars to substantially lose their price competitiveness in the United States, the 12-member European Community and other advanced countries.

Shipbuilders are also worrying about the deterioration of their business conditions because their Japanese counterparts are expected to recover their competitiveness due to the depreciation of the yen.

Last year, Korea superseded Japan as the world's biggest shipbuilder, which was ascribed to the strong value of the Japanese currency in international money markets.

Many business experts are apprehensive that as Korean shipbuilders are saturated with orders at present, they might lose their hegemony in the world shipbuilding market if Japanese makers go on the offensive by lowering prices of their products, taking advantage of the yen's lower value against the U.S. dollar.

Textile makers are also expected to suffer from the depreciation of the Japanese currency.

On their assumption that the value of the yen will continue to decrease against the U.S. dollar, Korean enterprises, mostly those affiliated with business groups, are endeavoring hard to lower their production costs and improve their productivity.

Foreign Capital Influx Causes Central Bank 'Concern'

SK0801084894 Seoul THE KOREA TIMES in English 8 Jan 94 p 17

[By staff reporter Cho Chae-hyon]

[Text] The Bank of Korea [BOK] has expressed concern over the impact the surging foreign money inflow will have on its monetary management for this year.

Kim Yong-tae, chief of the central bank's Monetary Department, said yesterday [7 January] that the foreign capital influx will hit a record high this year.

Kim said that foreign capital totalling 8-9 trillion won (10-12 billion dollars) will flow into Korea this year.

The BOK said that it plans to supply about 15.5-18.8 trillion won in liquidity during 1994.

Accordingly, the foreign money inflow will account for about 50 percent of the total money supply growth this year. It means half of this year's additional money supply will be set depending on the foreign capital inflow.

The total money supply growth which peaked at 21.4 percent in last October has shown signs of declining since November and reached 17.4 percent in December on an outstanding monthly average basis.

M2 increased by 1.78 trillion won in December from the previous month to 110.76 trillion won on an outstanding average basis. M2 includes currency in circulation and demand, time and savings deposits.

The central bank is poised to tighten its reign on money growth in order to reduce inflationary pressure which has been building up since the beginning of the year led by rises in public services prices.

The most important challenge facing the central bank is how to hold down consumer prices, Kim said.

In that context, the rising foreign money inflow is emerging as a big burden to the central bank's fight against inflation because it will result in fanning prices.

In order to offset the rise in money supply in the foreign sector, the BOK will have to tighten its control on money growth on the domestic side.

As the central bank released huge amounts of money last year in the name of cushioning impacts following the implementation of the real-name financial transaction system, the overflow of funds has become a key factor for the current downward trend in money growth.

The central bank did not fail to point out positive impacts of foreign capital.

The BOK said that although total money supply growth will continue to decline, the liquidity conditions for enterprises will be in good shape because the capital inflow will boost the stock market and give companies more chances to increase their reliance on direct financing like issuing bonds and stocks.

For January, the central bank said it set its monetary growth target at 17-17.9 percent, compared with 17.5 percent growth a year ago. It will release about 2.5-3.3 trillion won during this month.

In the meantime, money market rates, as measured by three-year corporate bond yields, remain stable at about 12 percent at present, compared with 13.35 percent in December 1992.

Reflecting the good liquidity conditions in the market, inter-bank short-term call rates also are hovering at the 12 percent range, lower than the 14 percent a year ago.

Market analysts agree that interest rates in the money market will not rise at least till the beginning of the second quarter when firms's fund demands are likely to rise because they are expected to activate investments from April.

High Growth Anticipated in Electronics Exports

SK0901032694 Seoul THE KOREA HERALD in English 9 Jan 94 p 8

[By Yu Kun-ha]

[Text] Sharp growth in the exports of computers and communications equipment last year pulled the domestic electronics industry out of the sluggishness of 1992.

This year, the high export growth rate of over 20 percent marked in 1993 is likely to be maintained, expanding the industry's exports from $5.1 billion to $6.2 billion. This projection by the Ministry of Trade, Industry and Energy (MOTIE), however, is based on the condition that the Japanese yen remains strong. Signs are emerging, however, which indicate a weakening of the Japanese currency.

Production of computer hardware, telephones, facsimiles, telephone exchanges and other equipment amounted to about $8.2 billion last year, up 13.4 percent from 1992.

This year, the aggregate output is expected to grow by 17 percent and hit $9.6 billion. Domestic demand for computers and personal communications equipment will also expand by around 9 percent with the advance of the nation toward an information-based society.

The industry's single largest export item is computer monitors. The nation's four major monitor producers—Samsung, Goldstar, Hyundai and Daewoo—churned out a total of $2 billion worth of monitors last year, accounting for about 30 percent of the world market in terms of quantity last year. In terms of value, Korea is second only to Taiwan in the monitor market.

Monitor producers are expected to enjoy brisk business this year as demand for personal computers in the United States is recovering while that in the European Community will continue to increase sharply.

Exports of personal computers (PCs) are also expected to rise, by some 20 percent, this year, if demand in the United States, which accounts for 80 percent of Korean shipments abroad, continues to center around the 486-class PCs.

More than half of PC exports, however, will be made under the OEM (original equipment manufacturer) formula. Samsung, the largest of the Big Five computer makers, showed the highest OEM rate—84 percent of its exports worth $190 million last year were made under the OEM formula.

Sambo, which is the leader in the domestic market, was second with 58 percent, while the remaining three—Goldstar, Daewoo and Hyundai—exported 90 percent of their PCs with their own brand names attached.

In all, the five computer assemblers are forecast to export $539 million worth of PCs this year, a level which still falls far short of 1991's $719 million.

For the Korean mass producers, 1992 was a disastrous year. In that year, world PC demand shifted from the 286-class to the 386- class and then to the 486-class. The change was simply too rapid for the Korean mass producers, who were unable to alter their production lines. As a result, exports were more than halved to a mere $332 million.

The five PC makers plan to spend some $44 million for research and development of high-function notebook computers, the so-called personal digital assistants (PDAs), multimedia PCs, Pentium PCs and other high value-added products.

Exports of computers and peripheral equipment are projected to total $3.78 billion this year, up 20 percent from the 1993 estimate of $3.15 billion.

In the telecommunications field, exports are expected to grow at a similar rate to that of the computer industry. Production, however, will grow by a far lower rate of 8 percent on average mainly because of the expected low demand for wire telecommunications equipment and a sharp drop in Korea Telecom's purchase of domestic telephone exchanges.

In contrast, domestic demand for mobile telecommunications devices such as pagers and cellular phones will continue to grow rapidly, causing a corresponding increase in imports of these products.

Last year, over half of the domestic demand for cellular phones was met by Motorola, the world leader in this field. Samsung, Goldstar and Hyundai, the three key Korean players in the market, accounted for 16 percent, 12 percent and 4 percent of sales, respectively. New firms are entering into this fast growing and lucrative business.

Exports of telephones, especially cellular phones, and facsimiles are expected to grow by over 20 percent this year as domestic producers are turning out new products.

Telephone exports (wire, cordless and cellular) are forecast to total $463 million, up 22 percent from 1993, while facsimile shipments will grow by 26.5 percent to mark $215 million.

Korean-developed digital telephone exchanges are also likely to see a sharp increase in exports. The three producers who jointly developed the TDX exchange—Samsung, Goldstar and Daewoo—are eager to explore new markets for the products. The three plan to raise their combined exports to $105 million this year, up 28 percent from 1993.

Domestic demand for the exchanges, however, will grow only 3 to 4 percent as Korea Telecom has been reducing its purchases with the progress in its telephone network modernization program.

Industrial Electronics Industry in 1993 and 1994

(Unit: $ million)

	1992		1993 (estimate)		1994(projection)	
		increase (percent)		increase (percent)		increase (percent)
Production	7,221	1.6	8,188	13.4	9,579	17
Imports	3,205	-9.2	3,629	13.2	3,934	8.4
Domestic sales	6,199	-8.0	6,707	8.2	7,313	9.0
Exports	4,227	8.5	5,110	20.8	6,200	21.3

Production and export projections for major items

(Unit: $ million)

	Production			Exports		
	1993	1994	increase (percent)	1993	1994	increase (percent)
Computer and peripheral equipment	4,560	5,472	20.0	3,148	3,777	20.0
Telephones (wire, cordless, cellular)	637	769	20.7	380	463	21.8
Facsimiles	341	407	19.1	170	215	26.5
Measuring instruments	117	134	14.7	85	100	17.6
Telephone exchanges	518	537	3.6	83	105	27.7

Annual Exports of Top Business Groups Reported

SK1101064894 Seoul YONHAP in English 0527 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—Korea's 10 largest business groups had exports of 47.32 billion U.S. dollars last year, or 57.4 percent of total exports, the Trade, Industry and Energy Ministry said Tuesday.

Samsung, Hyundai, Lucky-Goldstar and Daewoo accounted for 40.2 percent of Korea's total exports of 82.44 billion dollars.

Samsung ranked first with 12.7 percent of exports, up from 11.2 percent a year earlier.

Hyundai ranked second with 8.3 billion dollars, off 370 million dollars because of labor disputes at 10 percent, down from 11.3 percent. Hyundai led Samsung last year at 8.67 billion dollars to 8.6 billion dollars.

Lucky-Goldstar was stable in third place at 7.7 billion dollars, or 9.3 percent of exports compared with 9.2 percent in 1992.

Daewoo followed at 6.8 billion dollars (8.2 percent), Hanjin at 4.81 billion dollars (5.8 percent), Sunkyong at 4.48 billion dollars (5.4 percent), Ssangyong at 2.6 billion dollars (3.1 percent) and Kia at 1.1 billion dollars (1.3 percent).

The Hyosung Group had 2.64 billion dollars in exports, or 3.2 percent, for sixth place, but is not among the 10 biggest groups.

Hanwha and Lotte ranked ninth and tenth at 0.7 percent and 0.4 percent, respectively.

Ssangyong slipped from 3.2 percent to 3.1 percent, but the rest improved their figures.

Economic Plan Aims for Stability, Growth

SK1101035894 Seoul YONHAP in English 0237 GMT 11 Jan 94

[By Kim Myong-chol]

[Text] Seoul, Jan. 11 (YONHAP)—Increased international competitiveness and stable and steady growth are the goals of the government's economic plan for 1994, announced Tuesday.

The plan, formulated about a month later than in previous years because of a cabinet reshuffle affecting the economic planning minister and other ministers with economic portfolios in December, puts stress on developing the rural economy and putting vigor into the private sector.

In a conspicuous departure from past practice, the government left its forecast of macroeconomic indicators such as growth and inflation rates out of the plan.

Instead, the plan contains forecasts of such indicators by the Korea Development Institute, the Bank of Korea and private research institutes that put average growth at 6 percent to 7 percent, inflation at 6 percent and the current-account surplus at anywhere from 1 billion to 2 billion U.S. dollars.

The government does have its own forecasts, but did not include them in the plan to avoid criticism if the forecasts turn out to be wrong. But this creates the impression that the government is shirking its responsibility.

If the plan included the government's macroeconomic goals, the government would then feel impelled to drive the economy to achieve the goals regardless of how unreasonable such a drive may be, as it did in the past, Economic Planning Board (EPB) officials say. But without the government goals, the business community has no way of knowing exactly what the government is aiming at in its economic management plan.

An EPB official says the government wants 7-percent growth and 6-percent inflation in this year, but farm market opening as a result of the Uruguay Round trade talks has caused the government to put stress on rural development programs.

These programs combine with others for boosting the private sector, expanding infrastructure and balancing development of the country to give the impression that the economic management plan for 1994 focuses more on growth than on stability.

Chang Song-u, the EPB planning officer in charge of the plan, says that the plan's macroeconomic emphasis is on stability and its microeconomic emphasis is on programs to maximize business activities of the private sector. To stabilize prices, the government will control the total money supply on a stable basis and restrain earlier implementation of public works projects.

To increase industry's international competitiveness in the severe trade war expected as a result of the Uruguay Round trade accord, the North American free trade agreement and the European economic area, the plan envisages five programs—agricultural restructuring, deregulation for a higher spirit of enterprise in the private sector, expansion of infrastructure, increased adaptation to trends of globalization through market opening and price stabilization.

The rural development programs include both government and private investment for developing rural areas into a complex of primary, secondary and tertiary industries, and for this the government will in July begin raising 1.5 trillion won a year by establishing a new tax for several years.

Deregulation will include the privatization of state-run enterprises and the opening of the public works market to private capital.

For price stabilization, prices of rice and 29 other daily necessities will be kept from rising more than 4 percent, on average, in the coming year, while prices of 140 monopoly and oligopoly items will be placed under strict controls.

The economy, which bottomed out last year, looks bright in the new year. Increasing international competitiveness through substantial growth is the task facing the government's economic team, headed by Economic Planning Minister Chong Chae-sok. Also pressing on the team are price stabilization and industrial peace, because without these two industry can hardly compete well on the world market.

President Stresses Economic Recovery, Development

SK1101071294 Seoul YONHAP in English 0655 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—President Kim Yong-sam presided over the sixth meeting for promoting "a new economy" on Tuesday as a gesture of determination to materialize his vision of a viable economy based on deregulation and strong competitive edge, commonly called "ynomics."

Kim set the direction for economic policy and then listened to reports from 11 related agencies, starting with the Science and Technology Ministry.

The man who pledged to be an "economic president" showed his priorities by the order in which he heard the reports from his cabinet. His predecessors had called in ministers with security and diplomatic portfolios first for their new year reports. In contrast, Kim heard from the Economic Planning Board first and then listened to reports from each economy-related ministry.

On Monday, he had lunch with three former presidents and heard about various projects to promote science and technology from Yi Sang-hui, chairman of the advisory council on Science and Technology. Kim promised to strengthen the country's economic competitiveness within his five years in office.

Naming expansion of social overhead capital, balanced land development, deregulation, science and technology development, resolution of regional economic imbalances, and stronger competitiveness of rural areas as the main tasks to improve the country's economic competitiveness, he said he will personally see that they are carried out.

Chong Chae-sok, deputy prime minister and Economic Planning minister, reported that his team will draw up a comprehensive measure to rebuild rural communities to adapt to internationalization, radically improve the business environment to boost business activities, expand the infrastructure fund and create equal regional development, accelerate structural reforms and systems to prepare for free global trade, improve living standards, stabilize prices, and encourage frugality.

Emboldened by the first balance of payments surplus in four years, the president is determined to accomplish a second economic leap forward for Korea by keeping industrial relations at peace and by getting the help of businessmen, workers, public servants and farmers, presidential aides say.

Peaceful industrial relations and stable pay are most important to raise international competitiveness, Kim said in the meeting, instructing the ministers to rack their brains for ways to cement partnership between labor and management.

Designating 1994 the year of economic recovery, Kim was most attentive to economic revitalization and to radical science and technology development, said Pak Chae-yun, senior presidential secretary for economic affairs.

He noted that Kim has retired his stock phrase "pain-sharing" in the new year.

He did not call for pain-sharing in the economy meeting, but put stress on peaceful industrial relations, stable wages, and reforms in economic thinking and systems.

He may believe that pain-sharing, in other words a frugality campaign, took root last year in the gale of reforms and changes, aides say.

Or he may have realized that the call for pain-sharing to rebuild the country no longer appeals now that a year has passed since his administration was born, they say.

Kim must have concluded that it was time to implant real hope and expectations in the people that the economy can be brought back to life, they speculate.

Government To Reduce Production Cost of Rice

SK1101003694 Seoul THE KOREA HERALD in English 11 Jan 94 p 8

[Text] The government, in a move to help enhance competitiveness of local farming products, plans to halve production costs of rice by the year 2001 while doubling research and development (R&D) outlays for the agricultural sector by 1998.

These and other policies are contained in a New Year report to Agriculture, Forestry and Fisheries Minister Kim Yang-pae, made by Kim Kwang-hui, administrator of the Rural Development Administration (RDA) yesterday [10 January].

The RDA administrator said that agriculture-related research would be centered on how to strengthen competitiveness of farming products, a departure from the traditional emphasis on how to increase farming yield.

To do so, he said, the administration plans to expand the ratio of R&D funds for the farming sector to the nation's total agricultural production from this year's 0.42 percent or 73.3 billion won to 0.88 percent or 175.9 billion won in 1998.

He also reported that production costs of rice per kilogram would be reduced from the current 862 won to 441 won by 2001, while rice yield per 10 acres would rise from the present 461kg to 510kg by 2001.

Production costs of beef per kilogram would decline from the current 5,152 won to 3,723 won in seven years, he said.

The administration plans to drop production costs of barley by 52.7 percent from the present 417 won per kilogram to 197 won by 2001 and those of beans and potatoes by 48.6 percent and 63.7 percent from the present 1,078 won to 554 won and from the current 342 won to 124 won, respectively.

It also plans to reduce production costs of pork per kilogram from the current 1,294 won to 924 won by 2001 and those of red pepper from the current 3,578 won per kilogram to 1,800 won by 2001.

The RDA also will put priority on the development of environment-friendly farming technologies while expanding trial farming-products specialization projects by region.

Employers Group Expects Early End to Wage Talks

SK1101012494 Seoul YONHAP in English 0110 GMT 11 Jan 94

[Text] Seoul, Jan. 11 (YONHAP)—Wage negotiations are expected to be completed earlier than in previous years, Korea Employers' Association (KEA) Vice Chairman Hwang Chong-hyon forecast Tuesday [11 January].

KEA wants to complete its talks with the Federation of Korean Trade Unions (FKTU) by the middle of February and finish company talks before the end of March, Hwang said.

"As the government has set this year's goal at strengthening international competitiveness of the nation and has a strong will to control prices, price hikes will not be so considerable a reason for wage increases," he predicted.

Economic Planning Minister Chong Chae-sok and Labor Minister Nam Chae-hui told FKTU Chairman Pak Chong-kon on Saturday [8 January] that the government intends to control prices, and Pak said FKTU will seek to end its wage negotiations with KEA as early as possible if prices are controlled.

KEA will draw up wage demands by the middle of this month and select negotiators to meet with FKTU late this month.

"Government, management and labor met in October and agreed to change ties between management and labor to autonomous and cooperative," an FKTU spokesman said. "Moreover, workers share the view that increasing competitiveness is the only way for Korea to survive in a competitive international arena."

KEA and FKTU agreed on a unified wage hike plan in April for the first time.

Defense Sets Up New Logistics Programs Committee

SK0801004294 Seoul YONHAP in English 1113 GMT 7 Jan 94

[Text] Seoul, Jan. 7 (YONHAP)—The National Defense Ministry reported on Friday it had established a defense system improvement committee to work out ways to improve military arms procurement system so as to prevent the recurrence of incidents similar to the recent arms procurement scam.

Lt. Gen. Chang Song, superintendent of the military academy, was named to head the committee, a ministry official said.

The committee, to go into operation on Jan. 10, will have two subcommittees—one on the improvement of the Yulgok project and the other on the improvement of military supply procurement system.

The former will be chaired by Maj. Gen. Kil Hyong-bo and the latter by Brig. Gen. Yu Song-u.

Defense Minister Yi Byong-tae, naming Lt. Gen. Chang as committee chairman, told him to oversee committee business on a full-time basis, leaving military academy duties to the cadet corps commander, the official said.

The committee will be operated through the end of February and its membership number 15—eight for the Yulgok project subcommittee and seven for the supply procurement one.

Members have been picked up from among logistics experts at the ministry, Joint Chiefs of Staff, tri-service headquarters and defense institutes, the official added.

Military Aircraft Procurement Decision Viewed

SK1001054694 Seoul CHUNGANG ILBO in Korean 10 Jan 94 p 1

[Text] The Ministry of Defense Joint Chiefs of Staff [JCS] has virtually made a decision on the procurement of the aircraft for the 500 billion won [$625 million] electronic warfare aircraft project (Kumgang Parktu Project). Production is expected to be suspended in 1994 and suspicion has been raised within the military of possible mishandling of the project.

The JCS held a meeting of the Arms Systems Deliberation Committee on 30 December last year and decided on three types of aircraft as the final ones for negotiation after three years of pondering. The three types of aircraft are: one large aircraft, the French Dassault Falcon 50; and two medium-size aircraft, BAE-125 built by U.S. Raytheon and Citation III built by U.S. Cessna.

However, since the two medium-size aircraft fall short of the performance necessary for military operations required by the user unit, such as payload capacity and duration of flight, the procurement of Falcon 50 has virtually been decided.

The Falcon 50 the JCS has decided to procure has never been developed for military use and its production is supposed to be suspended this year. Moreover, the large Canadian Challenger jet, which has been developed for military use, has been dropped from the list of aircraft to be negotiated on, arousing doubt within the military about the decisionmaking process. The Defense Security Command, therefore, is reported to have undertaken an investigation of the case.

The electronic warfare aircraft project is supposed to procure eight reconnaissance planes from 1996 through 1999 so as to take over the role of the reconnaissance unit of the U.S. forces in the ROK which will be withdrawing toward the end of the nineties.

According to Defense Ministry and JCS officials, the JCS excluded the Canadaire Challenger—which had already been developed and in use for intelligence purposes in 1989 when the JCS began to push ahead with the project—from the prospective list of procurement from the outset. Instead, the JCS included in the list only the Falcon 50, and the two medium-size aircraft which are incapable of competition as they fall short of the performance required for military operations.

In response to the decision, the Canadian Government sent a letter through the Canadian Embassy in Seoul in 1991 to then Defense Minister Choe Se-chang protesting the exclusion of the Challenger, which was the only model in the world developed for military reconnaissance purposes [as published] and was used in the Gulf war. Minister Choe ordered Vice Minister Kwon Yong-hae to include the Challenger and make a new presentation.

The Defense Ministry and JCS officials, however, said the JCS disregarded the order for nearly three years and suddenly held the Arms Systems Deliberation Committee meeting at the end of last year, right after former Minister Kwon was replaced, and decided to negotiate on the Falcon 50 and two medium-size models, excluding the Challenger again. The officials said that because of the decision, the Falcon is almost certain to be selected as the final model beating the medium-size models.

According to the officials, before the Arms Systems Deliberation Committee meeting was held in early December 1993, the working-level meeting of the project had notified the deliberation committee members of its conclusion that the medium-size models were not appropriate and that the Challenger should be selected.

The officials said that it was suspected from the beginning that the decision makers wanted to select Falcon 50 by including in the list Falcon 50 and the two medium-size models and excluding the Challenger, because a large-size reconnaissance aircraft was the one they needed.

A high-ranking JCS official said, "The Arms Systems Deliberation Committee made the decision by vote of its members on the judgment that the performance comparison presented by the user unit was right.

EPB Plans Unit To Screen Yulgok Projects Budget

SK1001005794 Seoul YONHAP in English 0020 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—The government plans to form a section, or a bureau, in the Economic Planning Board (EPB) to take charge of budgeting for the Yulgok military buildup program.

The plan is part of moves by the government to practically screen each and every military project before it decides the defense budget, EPB officials said Monday.

The decision was apparently prompted by suspected irregularities in the Yulgok project and a recent artillery ammunition scandal. Public criticisms have been rising against the misuses of taxpayers' money under the pretext of military buildup.

In the past, the Defense Ministry asked for an annual budget for the Yulgok projects without specifying in detail where it was going to use the money. Because of the nature of the projects, the military has maintained that they had to be kept in secret.

From now on, however, all Yulgok projects are to be subject to screening by budget compilers at the EPB, who will check the need and soundness of each project. The Yulgok projects had accounted for 30 percent to 40 percent of the total defense spending every year.

The Yulgok project, which was launched by President Pak Chong-hui in 1974, had spent a total of 30 trillion won. Last year's budget for the project amounted to 2.9 trillion won, or 31.6 percent of the entire national defense budget.

There are 148 projects, including the purchase of the Air Force's next generation fighter plane and new tanks for the Army and destroyers and submarines for the Navy.

Defense Minister on Improving Yulgok Projects

SK1001090994 Seoul YONHAP in English 0523 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—Defense Minister Yi Pyong-tae told the Defense System Improvement Committee on Monday that the Yulgok force improvement plan must be carried out in the right way if it is to deter war. Some 130 of the 300-odd projects under the Yulgok plan ought to be reexamined to decide whether they should be continued, he said.

He told the 18-member committee, chaired by Lt. Gen. Chang Song, commandant of the Korea Military Academy, that it must find ways to improve Yulgok projects and the defense procurement system as well as to restore the people's trust in the military.

Also Monday, Lt. Gen. Chang Pyong-yong, head of the Armed Forces Special Inspection Group, said that a special team would start a full-scope probe of two of the five Yulgok projects it is to investigate toward the end of the week.

The two are relocation of the Army's combat arms school and the Navy's procurement of tactical data systems.

Cho Ki-hyon, 53, president of Chongwoo Construction Co., will be questioned about his company's role in the relocation project, Chang told reporters.

He said an exit ban on So Chon-sok, 52, president of Litton Korea, has been lifted as he was found to have had nothing to do with the Navy's tactical data system project.

The team will focus on what was overlooked or missed in the Board of Audit and Inspection's probe last year, he said.

Ministry To Combine Ulchi, Focus Lens Exercises

SK1001090294 Seoul CHUNGANG ILBO in Korean 10 Jan 94 p 2

[Text] The Defense Ministry decided to combine and jointly hold the Ulchi exercise and the Focus Lens exercise from this year which have been held separately during the past few years.

Cambodia

Khmer Rouge Reject Accusation on Thai Army Aid

BK1101030894 (Clandestine) Voice of the Great National Union Front of Cambodia in English 0100 GMT 11 Jan 94

[Statement by "the National Army of Democratic Kampuchea spokesman" issued 9 January; place not given—read by announcer]

[Text] The National Army of Democratic Kampuchea [NADK]'s spokesman rejects the fallacious accusations about the Thai Army helping the Khmer Rouge by firing artillery shells against the puppet troops.

1. Of late, there have been accusations about the Thai Army helping the Khmer Rouge by firing artillery shells against communist Vietnamese puppet troops.

2. The NADK spokesman categorically and totally rejects those (?shameless) accusations.

3. It is common knowledge that the communist Vietnamese puppet troops of the two-headed government has been conducting the military offensives against the Democratic Kampuchea party and the Cambodian people at the current 16th dry season. Those fallacious accusations are part of their bad political scheme aimed at concealing their defeats on the battlefield and (?against) the national reconciliation policy and the five-point guideline of his majesty the king toward national reconciliation, peace, and national unity in Cambodia.

[Dated] 9 January 1994

Joint Committee with Thailand To Be Set Up

BK1101072494 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 11 Jan 94

[Excerpt] A joint Cambodian-Thai committee will soon be set up as an intermediary for serving the future cooperation between Cambodia and Thailand. It is expected that an agreement on this committee will be signed on 14 January during the visit to Cambodia by His Excellency [H.E.] Chuan Likphai, Thai prime minister. [passage omitted]

Sar Kheng Receives U.S. Congressional Delegation

BK1101071194 Phnom Penh AKP in French 0404 GMT 11 Jan 94

[Text] Phnom Penh 11 Jan (AKP)—The prevention of hostile activities by the Khmer Rouge is a duty of the Royal Government of Cambodia [RGC], but it is also a commitment of the international community. This was emphasized by Sar Kheng, deputy prime minister and co-interior minister, at a meeting on Sunday, 9 January, with a U.S. congressional delegation led by Mr. Wilson of the Foreign Relations Commission.

Mr. Sar Kheng briefed his guests about the recent appointment of provincial governors, the new administrative structures organized in line with the principle of national reconciliation and unity, and the mutual understanding between major political parties elected to the National Assembly under the clear-sightedness of His Majesty Norodom Sihanouk.

For his part, Mr. Wilson commended the close cooperation between the Cambodian People's Party and the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party. The United States, he added, is delighted to see respect for human rights and for the Kingdom of Cambodia's Constitution.

The U.S. senator expressed his confidence that the RGC would be able to defend security and bring about peace for the Cambodian people.

Mr. Charles Twining, U.S. ambassador to Cambodia was also present at the audience.

France's Chirac Holds Talks With Leaders

Chea Sim on Sihanouk's Health

BK1101021694 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 10 Jan 94

[Text] This morning, Samdech Chea Sim, acting head of state and chairman of the National Assembly, granted an audience to His Excellency [H.E.] Jacques Chirac, former French prime minister and mayor of Paris, and his colleagues at Chan Throne Hall in the Royal Palace.

Samdech Chea Sim welcomed and regarded H.E. Jacques Chirac's visit to Cambodia as a sign of further consolidation and expansion of Cambodian-French relations and cooperation that have existed since time immemorial. Samdech Chea Sim thanked the French Government for its role in helping seek peace and national reconciliation in Cambodia. He also thanked the Paris administration for assistance to the city of Phnom Penh, which is facing difficulties.

Samdech Chea Sim also informed the guests of His Majesty King Norodom Sihanouk Varaman's health, saying that his health is good, his medical treatment will be complete by the end of March, and he will return home at the beginning of April to attend the Cambodian traditional new year celebration with all Cambodian citizens.

H.E. Jacques Chirac stressed the cooperation and assistance given by the French Government and the Paris administration to Phnom Penh in restoring this capital of the Kingdom of Cambodia, which has been ruined by war in the past over two decades.

Through Samdech Chea Sim, H.E. Jacques Chirac wished His Majesty King Norodom Sihanouk Varaman a quick recovery from his illness so that he may return to serve his people.

On the same day, H.E. Chhim Siekleng, delegate of the Royal Government of Cambodia to Phnom Penh City, also held cordial talks with H.E. Jacques Chirac.

On that occasion, H.E. Chhim Siekleng thanked the French Government and Paris administration for helping to restore the city of Phnom Penh. He informed the guest of the difficulties facing Phnom Penh and asked the Paris administration to provide assistance in rearranging the traffic in Phnom Penh and construction equipment and machines for repairing the badly damaged roads in the capital. H.E. Chhim Siekleng also asked the Paris administration to provide experts for developing Phnom Penh and setting up a computer system for the government's administrative work.

H.E. Jacques Chirac emphasized the goodwill of the French Government and Paris to help Cambodia restore the city of Phnom Penh. In response to Phnom Penh's requests, H.E. Jacques Chirac promised to provide additional equipment, machines, and garbage trucks for use in developing and beautifying Phnom Penh. In this regard, France will continue helping to establish a clean water system and send experts to Cambodia as requested within the framework of the association for assistance to the Francophone cities.

Hun Sen Seeks Agriculture, Road Aid

BK1001125794 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 10 Jan 94

[Text] At 0900 on 10 January, His Excellency [H.E.] Hun Sen, second prime minister of Cambodia's royal national government, received H.E. Jacques Chirac, former French prime minister and mayor of Paris, and his colleagues at the office of the Council of Ministers.

On this occasion H.E. Hun Sen talked about the current situation in Cambodia. He asked the French Government to assist Cambodia in the fields of agriculture, water policy, communication lines linking cities and rural areas, electricity, and professional training. H.E. Hun Sen also suggested that France, cochairman of the Paris international conference on Cambodia, help push signatory countries to quickly implement their pledges to provide appropriate aid (?in accordance with) the territorial integrity and Cambodia's rehabilitation.

Concerning the Khmer Rouge issue, H.E. Hun Sen said that the stance of the Royal Government of Cambodia [RGC] remains the same, that is, it is always keeping the door open for the Khmer Rouge to join in the country's construction as government advisers or even member of the royal government, if a majority of the National Assembly agrees by amending the constitution. He also said that the Khmer Rouge have shown no intention of being reconciled with the nation and taking part in the rebuilding of Cambodia. On the contrary, they have intensified their activities in attacking the Khmer Royal Armed Forces [KRAF] more vigorously. H.E. Hun Sen stressed that the RGC can accept the Khmer Rouge only when they properly respect the three conditions set by His Majesty King Norodom Sihanouk, namely, the cease-fire, the demobilization and inclusion of Khmer Rouge troops into the KRAF, and the handing over of the territory being controlled by the Khmer Rouge to the RGC. H.E. Hun Sen said that if the Khmer Rouge continue to fight and talk at the same time, the RGC cannot accept this. H.E. Hun Sen also appealed to the French Government to use its influence to prevent infiltrations by the Khmer Rouge along the border.

H.E. Jacques Chirac promised to do all he could to continue providing garbage trucks, help Phnom Penh City to have sufficient electricity, assist in providing clean water to the city, and help train Cambodian students who have just finished their studies.

As for the RGC's request for the French Government to help build a park along the Tonle Sap River in front of the royal palace stretching to the base of the Chrouy Changva bridge, H.E. Jacques Chirac said studies would be conducted with the Phnom Penh City side first.

Sihanouk Decree Promoting Son Reported

BK1101072894 Phnom Penh AKP in French 0408 GMT 11 Jan 94

[Text] Phnom Penh 11 Jan (AKP)—His Majesty Norodom Sihanouk, king of Cambodia, has recently promoted His Royal Highness [HRH] Norodom Yuveakneat [Sihanouk's son] to the rank of Prince Kromluong. The promotion decree dated 31 December 1993 is seen in Beijing where the king is receiving medical treatment.

The king of Cambodia has also nominated HRH Norodom Yuveakneat as his senior privy councillor with the ceremonial rank of a deputy prime minister.

The prince is the 10th senior privy councillor to the king of Cambodia. The nine others are: His Excellency [H.E.] Samdech Nhoek Chulong, H.E. Samdech Son Sann, H.E. Samdech Ngor Hu, H.E. Chau Senkosal alias Chhum, H.E. Heng Samrin, H.E. Say Phuthang, H.E. Chea Soth, H.E. Bou Thang, and H.E. Mat Ly.

Laos

Commentary: VOA MIA Report 'Slanderous'

BK0901151694 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Jan 94

[Unattributed commentary: "The Lao-American Cooperation on the Problem of Prisoners of War and Personnel Missing in Action During Wartime"]

[Text] Respected listeners, on 2 January, the Voice of America, which is known to all as a mouthpiece of the U.S. State Department, carried a report slandering the Lao People's Democratic Republic [LPDR] by saying that as many as 41 American prisoners of war remain in the LPDR. The report added that the U.S. Senate Investigative Committee should make Laos a priority in its efforts.

The following are the facts about this issue that everyone should know: After the end of the Indochinese war in 1975, the Lao side returned to the U.S. side all nine American prisoners of war. Since then, the U.S. side has admitted that there are no more American prisoners of war in Laos. Nevertheless, for humanitarian reasons and acting in response to requests from the U.S. Government, the Lao Government has always cooperated with the U.S. side in searching for and collecting information about personnel missing in action in Laos. In 1985, 1986, and up to the present time, Lao officials have respectfully cooperated with American officials and done their best in conducting surveys and excavating areas around plane crashes in 11 provinces, in accordance with all suggestions and plans from the U.S. side. Between 1985 and November 1993, the two sides jointly conducted surveys and excavations on 34 occasions in 11 provinces. So far, the remains of some 50 American pilots of planes shot down in wartime have been discovered and retrieved. The total number of American personnel missing in action in Laos, in accordance with official U.S. figures, is 514.

In addition, to remove the doubt and suspicion of the U.S. side, which has claimed that American prisoners of war remain alive in Laos in accordance with information it has received from certain exiled Lao refugees or deceivers who have taken advantage of the situation to make money or profit from other people's suffering, the Lao side has agreed to allow technical teams from of both countries to jointly investigate all suggestions of the U.S. side. Examples are the case of Captain Borah, who was found after the investigation to be a Lao Theuang tribesman, namely (a Lao), and the case of First Lieutenant (Kha,) who was later found to be a German businessman running his business in Thailand, namely (Gunbe). There were also similar cases in Xieng Khouang and Hopua Phan Provinces. Another recent one was the case of a person in Toumlan District, who was later found to be a physician attached to (?a medical team operating in a border area). All cases of live prisoners of war turned out to be groundless after joint investigation. They are all fabricated stories.

In view of the fact that the technical teams and officials of both sides have unanimously concluded that progress has been achieved in cooperation in dealing with the problem of prisoners of war and personnel missing in action, what are the hidden purposes and intentions of the Voice of America in its indiscriminate and irresponsible reports? The Lao people feel very disappointed about this outdated trick. The Lao people have now asked themselves why in the world does our country have to sincerely cooperate with the U.S. side, despite the fact that during the war, tens of thousands of their sons and nephews were killed by U.S. bombs and they have not been paid any compensation. If the Voice of America, which has served as the mouthpiece officially conveying the views of the U.S. Government, continues to carry such slanderous news, it will only continue to increase doubt and suspicion between the peoples of the two countries. The only result will be that the cooperation in searching for the personnel missing in action during the war will be affected.

* Wartime Operations, Shootdowns, Units Described

Lam Son 719, Sala Phou Khoun

94SE0043A Vientiane KONGTHAP PASASON LAO in Lao 27 Oct 93 pp 3,4

[Article: "45 Years of Growth and Victory of the LPA"]

[Excerpt] [Passage omitted] To continue punishing the enemy, in May 1962 the Lao People's Army [LPA] started the battle to liberate Louang Namtha and destroyed 10 enemy battalions. After this they went on to new victories. The LPA maintained its control of the situation and attacked the enemy fiercely at many points. In addition they resolutely beat back the large enemy offensive in the area of Phou Soung and the junction at Sala Phou Khoun 27 times, liberated Kasi District, Vang Viang District, Hinheup and other places and forced the American imperialists and the opposing side to sign the Geneva Treaty of 1962 for Laos and agree to the formation of the coalition government of the three factions which reunited Laos for the second time.

In addition to supporting and using the rightist forces, the American intelligence department created a special force (the Vang Pao force). This was the second force under the direct command of the Americans. Its purpose was to carry out the long term policy of dividing the nation and destroying the revolution. They built this force up from 5,000 to 30,000 and gradually used this force to attack and seize liberated areas. They used this force to seize Pha Thi in an insane attack. This was a position in a liberated area of ours.

After they were painfully defeated at Pha Thi and other places, they hoped to redeem themselves from these defeats. The American imperialists assembled 50 battalions of special forces including many Thai battalions. With major support from American forces and the engagement of every type of aircraft including strategic B-52's, they started Operation "Kou Kiat" [redeem honor] in August 1969, an insane attack against the liberated areas of the Plain of Jars and Xieng Khouang. After they had advanced their forces, they put into effect the policy of the three eliminations which was very brutal.

In order to punish the enemy, at the beginning of December 1970 the LPA and patriotic, neutralist forces fiercely attacked the special forces of Vang Pao. They destroyed all the major positions of the enemy so that the special forces of Vang Pao were not able to further defend the reactionary Thai forces in the center. The YMT 21 of the special forces of Vang Pao was seriously hurt, and then their YMT 23 was wiped out completely. This caused the three Thai battalions on Phou Keng to be cut off. That same month the flank of the LPA south of the Plain of Jars attacked the Thai forces in Ban Ton Village and wiped out four battalions. By attacking along with the other flank in the West, the LPA was able to attack the two battalions of the special forces of Vang Pao at Meuang Soui and shatter them. At the same time we wiped out the Thai reactionary forces located at Phou Keng completely.

With this storm of attacks by the patriotic armed forces, we caused the enemy to lose spirit. In just 3 days of fierce coordinated attacks from every direction and flank, our LPA liberated the Plain of Jars and Meuang Soui and completely took back the area the enemy had seized. They drove the enemy back to its bases at Sam Thong, Long Cheng, Sala Phou Khoun and Kasi. They had eliminated and weakened more than 20 enemy battalions. Of these 10 were Thai reactionary battalions.

Because of their incorrigible love of war, the American imperialists started the Lam Son 719 operation at the beginning of 1971. They used more 20,000 soldiers of the Saigon puppet regime supported by American aircraft and artillery. But the army and people of Savannakhet working with the liberation army from the South of Vietnam resolutely defeated them in the battle called "Lam Son 719" along highway 9. Their forces were shattered during 44 days and nights. This was a heavy blow for the "Nixon" doctrine that Indochinese should be used to fight Indochinese. [passage omitted]

Capture of Two Pilots Noted

94SE0043B Vientiane PASASON in Lao 11 Nov 93 p 4

[Article by A. Pheuanchai: "32 Years of Bravery of the Anti-Aircraft Corps"]

[Excerpts] Faced with an ever more chaotic situation because of the air war of the imperialist invaders, the anit-aircraft unit—although at that time it was still not organized as an official unit—still provided a way of putting up an ever fiercer resistance while responding to the situation. It countered enemy attacks in a timely fashion and defended the skies and green mountains.

In the 1960's the neo-colonialists developed a secret scheme to invade Laos. They rashly tried to escalate the war against the patriotic Lao people hoping to wipe out the Lao people's revolutionary forces completely. Therefore the unit carried out the orders of the supreme headquarters of the Free Lao [Neo Lao Itsara] Army and on 18 October 1961 the first anti-aircraft battalion cleared the skies using bullets against the iron of the imperialist invaders. This unit was established at Ban Nong Nam Village in Pek District of Xieng Khouang Province. It was commanded by Comrade Chan and Comrade Simeuang. It was organized in three companies. Two companies were armed with 37 mm guns, and one company was armed with 12.8 mm guns.

After the battalion was established, it was assigned to fighting the enemy in the air. The first company fought the enemy in the air over Khang Khai (Xieng Khouang). Every bullet hit the aircraft and penetrated the enemy iron. The F-101, which was a very modern aircraft just produced by the Americans, immediately turned over and over and fell to the earth in Xieng Khouang. This was the first aircraft shot down in Indochina. When this first aircraft spun to earth, it created a great deal of fear in their air force. The LPA in contrast was very proud and decided resolutely to follow the leadership of the party. On 24 June 1994 [as published] the battle to liberate the Plain of Jars started. The anti-aircraft battalion worked with the infantry to block the enemy's routes for retreat from the Plain of Jars at Meuang Soui, Lat Ngon, Phou Ba, Khoua Lek and Khoua Nam Yen. In November 1964 the enemy attacked Phou Kout with its air force, artillery, and infantry. The enemy force was many times larger than ours. The battle to defend Phou Kout was fought back and forth fiercely with the two sides less than 25 meters apart. The Lao revolutionary combatants were very patriotic.

Comrade Phimmason, a young combatant, used a 12.8 mm gun to hit a T-28 and then used a light machine gun to fire into the enemy columns advancing on the ground. This comrade fighting alone delayed a great number of the enemy in order to allow his entire platoon to attack enemy aircraft. In the end this comrade sacrificed his life bravely on the battlefield. When the battle was over, this brave unit had shot down five T-28's and damaged seven. They had also destroyed three armored vehicles and killed 28 of the enemy.

In the course of its duties which included constant fighting from 1961 to 1973, the unit took part in the liberation of the nation as follows: it fought against aircraft 1055 times, shot down 285 aircraft of all types, fought 49 battles on land, and captured, killed and caused to surrender many hundreds of the enemy. They destroyed many weapons and much military equipment. They defended more than 4,000 people in Pek District and Khoun District. They built a revolutionary support base in four villages and built a 160 member guerrilla network. For these accomplishments the unit received 14 unit decorations and 41 individual decorations. One comrade was named a national hero, and two comrades were decorated for diligence. [passage omitted]

During the period from 1973 to 1993 the battalion achieved more successes to further mark its 32 year tradition. It fought against aircraft two times hitting five aircraft and shooting down two. It captured two pilots and killed five of the enemy. Now the cadres and combatants in this battalion are impressed with these traditions of bravery and are prepared to dedicate their lives to their revolutionary duty in the new era.

Anti Aircraft Bn 4.5.6

94SE0043C Vientiane PASASON in Lao 8 Nov 93 p 2

[Article by Boualapha Thindoi: "The Heroics of Anti-aircraft Battalion '456'"]

[Excerpts] When we think back again to the lives and battles of the cadres and combatants of the Anti-aircraft Corps and especially of the cadres and combatants of the 456th Anti-aircraft Battalion and those who went through the war or were in the unit then, one can only say that it is a frightening image because the fighting involved one side using modern explosives and weapons to wipe out another side which was not willing to surrender but staked their lives for their patriotic ideals.

The Geneva treaty for Laos of 1962 was trampled on and destroyed completely by the special war of the imperialists, which they steadily escalated. In addition to their mobilizing the rightist forces and the special forces of Vang Pao to attack and seize liberated areas, starting on 17 May 1964 they used their air force to brazenly destroy our country. They used various types of aircraft to drop many kinds of bombs and brutally kill our people who had done nothing wrong. This lit the fire of anger among the multi-ethnic Lao people more and more, and it caused them to rise up and fight an ever broader people's war. It also mobilized the spirit for battle of the cadres and combatants of the Anti-aircraft Battalion.

The enemy air war grew steadily fiercer especially in Viang Sai District, the stronghold of the revolution. This was a special target for the air pirates who wanted to destroy the base of the patriotic forces. They used various types of aircraft to drop bombs every day in hundreds of sorties. Every day the Viang Sai base was covered by a frightening amount smoke and wreckage from explosions.

This fierce warfare forced our army to strengthen the Anti-aircraft Corps and improve its combat capabilities. This was the reaction to the "spreading fire" which required water to be put out. They combined the 26th, 27th, 28th and 29th anti-aircraft companies to create an anti-aircraft battalion on 2 May 1965. Its assignment was air defense for central Viang Sai. This battalion was under the command of Comrade Khamchan. Comrade Sao was responsible for political activities. Comrade Phonkeo was chief of staff. Leadership was provided by the artillery department of Supreme Headquarters.

After being established the unit moved into position to defend the position of the central leadership of the Lao Patriotic Front and worked to improve the various support bases which were necessary. The unit mobilized the people to be patriotic and hate the enemy and to send their sons to join the ranks of the army amd do other things. They had to overcome difficulties and confusion of many kinds, but the most important task was mobilizing the fighting spirit of the cadres and combatants within the unit to continue our army's brave tradition that it was better to die than to surrender. Not long after the establishment of the unit the imperialists on 4, 5 and 6 June 1965 used aircraft of various types to drop bombs in attacking Viang Sai District again. This was a ferocious attack. Their aircraft attacked for 3 days and nights; there was not even a minute without the sounds of aircraft and explosions of various kinds reverberating. They not only wanted to wipe out the revolutionary forces but also made the mountains, which symbolized the beauty of the area, into level ground. [passage omitted] All levels of cadres and all combatants were united in their resolve to fight to the death and to let their gun emplacements be their graves. Initially the gun emplacements were covered with branches, but after many hours of battle the force of the explosions against the gun emplacements began to expose them. This gave the air pirates targets so that they could attack each emplacement fiercely. Nevertheless they were not able to suppress the revolutionary spirit of the unit. Against this steel we had to be brave. In this battle to defend Viang Sai District not only were the cadres and combatants able to maintain the security of the central command, but they were also able to shoot down and destroy 12 aircraft. This was the origin of the name of the 4.5.6 Anti-aircraft Battalion.

During the entire period that the unit performed its air defense duties, it took part in 527 small and large-scale engagements. Of these 150 were fierce battles. They shot down more than 110 aircraft and captured 5 pilots. Because of these accomplishments the battalion was honored by the party and upper echelons with 12 freedom medals, two bravery medals, and one bravery banner. One combatant was made a national hero. [passage omitted]

President Receives New U.S. Ambassador

BK1001094494 Vientiane KPL in English 0805 GMT 10 Jan 94

[Text] Vientiane, January 10 (KPL)—Nouhak Phoumsavan, president of the Lao People's Democratic Republic, on January 8, received Mr. Victor L. Tomseth who presented his credentials as ambassador extraordinary and plenipotentiary of the United States of America to Laos.

The Lao president welcomed the U.S. ambassador and expressed hope that he would further make contribution to the gradual improvement of the relationship between Laos and the U.S.A. in connection with the humanitarian cooperation in excavating for the remains of the Americans missing in action during the war. The Lao president confirmed the Lao Government's constant policy to render cooperation according to its real capability and conditions.

Concerning the narcotics issue, the Lao Government has exerted efforts and cooperated with international organisations in persuading mountainous people to eventually put an end to the poppy plantation and substitute it with crops and practise fixed highland farming.

The U.S. ambassador expressed thanks to the Lao authorities and people for their humanitarian cooperation and pledged to do his best to fulfill his diplomatic duty.

Mr. Victor L. Tomseth assumes the post to succeed Ambassador Charles B. Salmon Jr.

PRC-Aided Radio Transceiver Begins Operations

BK1001105694 Vientiane KPL in English 0815 GMT 10 Jan 94

[Text] Vientiane, January 10 (KPL)—A 10-kw radio transceiver is now put on operation in the province of Champassak after one month of installation.

The medium-wave radio system was set up under the assistance of a Chinese economic and technical cooperation company.

The hand-over of the broadcasting facility took place on December 31.

Joint Venture in Expert Services Signed With PRC

BK1101095894 Vientiane KPL in English 0929 GMT 11 Jan 94

[Text] Vientiane, January 11 (KPL)—A joint venture agreement of the Company for Expert Services was signed on January 8 between the Lao Government and Lio Yao Petro-chemical Company of China.

The joint venture was aimed at updating the management and business operation of the existing buildings. These buildings in the past have been used for business operation by the state-run company for expert services. They are located on Luang Prabang road, Sithan Neua, Sikhottabong District, Vientiane Municipality.

This joint business was to serve both local and foreign investors. The sides have also agreed to make these buildings as a facility for training Lao nationals in housing services. The term of the joint venture is 30 years. The Lao side holds a share of 30 per cent. Upon termination of the term, all assets worth U.S. [$]1,350,000 under the agreement will go to the Lao Government.

ROK Firm Building Champassak Hydropower Dam

BK1101105094 Vientiane KPL in English 0918 GMT 11 Jan 94

[Text] Vientiane, January 11 (KPL)—The construction of a hydro-power dam on Ho River in the Province of Champassak is in progress, said the head of the project, Mr. Bounkeut Khamphaphongphan.

The main work done in the past two months includes building a 26-km road from Lasasin area to the construction site of the dam. The road is the first to link the area and the province of Attopeu.

The dam construction is a project the Government of Laos has signed a contract with a construction company of South Korea in the form of BOT 'build-operate-transfer'. This means that the investor puts money into building the facility then recovers its cost within 30 years. The Lao party holds a share of 20 per cent. After the period, the facility will be transferred to the Lao Government.

According to the official, now equipment worth U.S. dollars five million has reached the site, and field survey has started using a seismic equipment to define the construction site.

Another work to be done soon is determining water and forest areas for catchment, areas for conservation of bio-diversity, areas for tourism and areas where evacuation of people will be made.

This building project was scheduled for four years. The water current will be blocked in May 1996 and trial operation will be in the middle of October 1996. The hydro-power dam has a 150 megawatt capacity. The height of the dam is 80 metres while the width of its foot is 300 metres. The dam crest will be used as a road for vehicles to go to Attopeu District and Vietnam.

Funeral Committee Set Up for Phoumi Vongvichit

BK0801081794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 7 Jan 94

["Resolution" of the Political Bureau of the Lao People's Revolutionary Party Central Committee on the appointment of the Committee in Charge of the Funeral for "Comrade" Phoumi Vongvichit, adviser to the party Central Committee—dated 7 January]

[Text] To express gratitude for Comrade Phoumi Vongvichit and to organize the funeral for him in an honorable and orderly manner, the Political Bureau of the Lao People's Revolutionary Party [LPRP] Central Committee has agreed to:

Article 1: Appoint the Committee in Charge of the Organizing of the Funeral for Comrade Phoumi Vongvichit comprising the following Comrades:

1. Comrade Saman Vi-gnaket, Political Bureau member of the LPRP Central Committee, and chairman of the National Assembly, as chairman;

2. Comrade Khamphoui Keoboualapha, Political Bureau member of the Party Central Committee and deputy prime minister, as deputy chairman;

3. Comrade Oudom Khatthi-gna, Political Bureau member of the Party Central Committee in charge of mass organization affairs, as deputy chairman;

4. Comrade Maichantan Sengmani, Political Bureau member of the Party Central Committee and chairman of the Central Party and State Control Commission, as member;

5. Comrade Choummali Sai-gnason, Political Bureau member of the Party Central Committee and minister of national defense, as member;

6. Comrade Thongsing Thammavong, Political Bureau member of the Party Central Committee and head of the Organizating Committee of the Party Central Committee, as member;

7. Comrade Thongsavat Khaikhamphithoun, member of the Party Central Committee and head of the Office of the Party Central Committee, as member;

8. Comrade Phao Bounnaphon, member of the Party Central Committee and minister attached to the Prime Minister's Office, as member;

9. Comrade Maisouk Saisompheng, member of the Party Central Committee and chairman of the Lao Front for National Construction, as member;

10. Comrade Somsavat Lengsavat, member of the Party Central Committee and minister of foreign affairs, as member;

11. Comrade A-sang Laoli, member of the Party Central Committee and minister of interior, as member;

12. Comrade Osakan Thammatheva, member of the Party Central Committee and minister of information and culture, as member;

13. Comrade Khamsai Souphanouvong, member of the Party Central Committee and minister of finance, as member;

14. Comrade Boun-gnang Volachit, member of the Party Central Committee and lord mayor of Vientiane Municipality, as member;

15. Comrade Vongphet Saikeu-yachongtoua, member of the Party Central Committee and deputy chairman of the Lao Front for National Construction, as member;

16. Comrade Thongloun Sisoulit, member of the Party Central Committee and minister of labor and social welfare, as member;

17. Comrade Khampan Philavong, member of the Party Central Committee and chairman of the Federation of Lao Trade Unions, as member;

18. Comrade Mrs. Onchan Thammavong, member of the Party Central Committee and chairwoman of the Federation of Lao Women's Unions, as member;

19. Comrade Khamman Sounvileut, member of the Party Central Committee and second secretary of the Lao People's Revolutionary Youth Union Central Committee, as member;

20. Comrade Phoumi Thipphavon, member of the Party Central Committee and governor of Xieng Khouang Province, as member;

21. Comrade Phimmason, member of the Party Central Committee and minister of education, as member.

Article 2: The Committee is authorized to hold discussion and clearly assign responsibilities for each comrade. It is also authorized to guide various branches and sectors concerned to effectively perform duties as entrusted to them.

Article 3: This resolution is effective as of the date it is signed.

[Signed] Khamtai Siphandon, chairman of the LPRP Central Committee acting on behalf of the Political Bureau of the Party Central Committee
[Dated] Vientiane, 7 January 1994

Vietnamese Delegation Arrives for Phoumi Funeral

BK1101140194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Jan 94

[Text] A high-level delegation of the Communist Party of Vietnam [CPV] led by Vu Oanh, member of the CPV Central Committee Politburo and person in charge of guiding mass organizations of the party Central Committee, arrived in Vientiane this morning to attend the funeral of Phoumi Vongvichit, adviser to the Lao People's Revolutionary Party [LPRP] Central Committee, former member of the LPRP Central Committee Political Bureau, former acting president of the Lao People's Democratic Republic [LPDR], former chairman of the Lao Front for National Construction [LFNC] Central Committee, and former deputy prime minister and minister of education, sports, and religion. He passed away at age 85 at 0822 on 7 January 1994.

The CPV delegation was welcomed upon its arrival at Wattai Airport by Maisouk Saisompheng, member of the party Central Committee, chairman of the LFNC Central Committee, and member of the committee in charge of organizing the funeral for Phoumi Vongvichit. Bui Van Thanh, SRV ambassador extraordinary and plenipotentiary to the LPDR, along with a number of high-ranking cadres concerned, were also on hand to welcome Vu Oanh and his delegation at the airport.

Philippines

Killing of NPA Figure May Start 'Chain Reaction'

BK1101031494 Manila PHILIPPINE DAILY INQUIRER in English 7 Jan 94 pp 1, 8

[Text] The violent death of Vicente Martinez, a former New People's Army (NPA) leader, might start a "chain reaction of bloody confrontations" between rival factions of the Communist Party of the Philippines (CPP).

Top communist dissidents expressed this fear yesterday in a statement condemning the "senseless murder" of Martinez by three gunmen who barged in his house in Antipolo, Rizal, last 2 January.

Martinez, 44, was shot several times in the head and body in the presence of his wife and son, police said. His assailants had introduced themselves as agents of the National Bureau of Investigation. "Whoever perpetrated this cowardly crime, whether the Ramos government agents or the Stalinist faction, must be punished," said Victor Del Mar, CPP Visayas Commission chair, and Bimbo Magtanggol, NPA Visayas commander.

Del Mar is believed to be the rebel name of Arturo Tabara, who recently declared his group's autonomy from the party's "Stalinist faction" because of ideological and political differences.

The "Stalinist faction" is reportedly headed by Armando Liwanag said to be the guerrilla name of exiled CPP founding chairman, Jose Maria Sison, and Benito Tiamzon, alleged acting chairman of the party.

Del Mar and Magtanggol identified Martinez as "Comrade Poping," a former member of the Visayas Commission, vice commanding officer of NPA-Visayas and member of the Eastern Visayan Party Secretariat.

They said he was an active opposition leader in the CPP and one of the signatories to a petition calling for a special party plenum, "and thus earned the ire of the ... Stalinist faction."

Martinez was arrested in 1990 in Quezon City and charged with illegal possession of firearms in furtherance of rebellion. He was released in 1992 as part of the government's peace initiative with communist rebels.

Before he was killed, Martinez worked as a peasant organizer in Samar under the Philippine Ecumenical Action for Community Empowerment (PEACE) Foundation, a nongovernmental organization.

"Comrade Poping's death signals the escalation of the party crisis to a higher and violent stage," Del Mar and Magtanggol said.

They placed "primary responsibility" for the incident on the Stalinist faction "for creating the conditions which the Ramos government and its agents could exploit to sow bloody intrigues" within the revolutionary movement.

As of press time last night, Sison could not be reached for comment at his base in Utrecht, the Netherlands.

"We call on all party members in the opposition and the broad masses of the people to condemn this senseless crime and to take steps to put a stop to a possible chain reaction of bloody confrontations," Del Mar and Magtanggol said.

The anti-Sison rebels said their communist adversaries have declared intent and capability for the "physical elimination" of their detractors.

They were referring to an order announced by CPP spokesman Gregorio "Comrade Roger" Rosal last month to try critics before "people's courts" for alleged crimes against the people.

Issued "charge sheets" were Tabara; Romulo Kintanar, alleged former NPA chief; Felimon Lagman, head of the CPP Metro Manila-Rizal committee; and Ricardo Reyes, alleged CPP secretary general.

Regional CPP Leaders Arrested in Bacolod City

BK1101065894 Quezon City Radio Filipinas in English 0230 GMT 11 Jan 94

[Text] In Bacolod City, four regional communist leaders who have broken with party founder Jose Maria Sison were arrested yesterday, the military said. General Pedro Cabuhay, commander of the Army's 63rd Infantry Battalion in Negros, said those captured included Arturo Tabara, alleged chief of the party organization, in charge of all guerrilla and party operations in the Visayas. Also arrested were former Roman Catholic priest Benjamin Escrupulo, secretary of the regional united front committee; Rufino Bianca, secretary of the Negros regional party committee, and Tony Lamayo, top guerrilla commander of the New People's Army in Negros.

'High-Ranking' CPP Official Surrenders in Bulacan

BK1101081494 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 5 Jan 94

[Summary] A high-ranking communist official operating in Bulacan and Metro Manila, identified as Jovencio Nicodemus, alias Comrade Ran, surrendered to military authorities in Bulacan, to be of help in the livelihood projects of the government.

European Union Assured of Continuing Relations

BK1101082094 Quezon City Radio Filipinas in English 0230 GMT 11 Jan 94

[Text] The Philippines will not neglect its relations with European countries despite its perceived close relations with United States and Japan, Foreign Affairs Secretary Roberto Romulo yesterday assured visiting British Finance Minister Kenneth Clarke. I want to assure you that although we continue to be very positive on the results of the Seattle meeting and the future of APEC [Asia Pacific Economic Cooperation], we certainly do not want it to be a way of discouraging others, particularly European Union from coming here seeking mutual gains from both sides, quote unquote, Romulo told reporters.

He said that during his meeting with Clarke, he was told that many Europeans perceived the Philippines as, quote unquote, too oriented towards the United States and Japan. Romulo noted that since the November Asia Pacific Economic Cooperation leaders' summit in Seattle, Clarke's visit to the Philippines is the first manifestation of interest in Asia by several officials from the European Union. During the APEC summit, the European Union, formerly known as the European Community, had expressed alarm that it is still isolated from the Asia Pacific conference. Clarke told Romulo that as a result of the APEC meeting, it was assumed that the European Union believed that this might be misunderstood as though they were just giving up this part of the globe, quote unquote. But contrary to the common perception, European nations are interested to expand economic relations with Asia, Clarke said.

Europe needs to do a lot of work to tackle the business. Clarke was particularly positive in his desire to focus on the Philippines and also the Asian region because clearly his presence here for some five days together with some prominent businessmen is a good sign.

Government To Hold Separate MILF Peace Talks

BK1101090494 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 11 Jan 94

[Text] Manuel Yan, head of the government peace panel, disclosed that the government is planning to hold separate peace talks with the Moro Islamic Liberation Front [MILF]. The talks will most likely be held after the conclusion of the talks with the Moro National Liberation Front [MNLF]. Yan expressed confidence that talking with the MILF will not be complicated because it holds positions similar to the MNLF.

Thailand

Weapons Cache Near Cambodia Border Under Army Control

BK1101103294 Hong Kong AFP in English 1020 GMT 11 Jan 94

[Excerpt] Bangkok, Jan 11 (AFP)—A massive cache of weapons discovered near the Cambodian border in December remains under army control pending settlement of possible claims for ownership, a Thai army official said Tuesday.

The First Region Army Commander, Lieutenant General Chettha Thanacharo, said he had not been informed of any official claims. He would not say where the weapons were being held.

"All weapons found last December in Chanthaburi have been put under our control until their owners make a claim," Chettha told AFP.

"The owners could claim for their weapons but it has to be done in accordance with the law", he added. [passage omitted]

Cambodia Stance Backed, Western Media Chided

Western Press 'Biased'

BK1101030794 Bangkok THE NATION in English 11 Jan 94 p A4

[Text] The Thai government and military yesterday reaffirmed Thailand's full support for the elected Cambodian government, and strongly denied a new wave of allegations that Bangkok still secretly backs the Khmer Rouge.

"Why do some people in Cambodia always blame it all on Thailand every time they are defeated on the battlefield by the Khmer Rouge?" army spokesman Col Phalangkun Klahan said at a press conference. He also criticized western news agencies for what he described as reports biased against Thailand.

Fresh accusations concerning the Khmer Rouge were threatening to sour Prime Minister Chuan Likphai's planned visit to Cambodia tomorrow.

On Saturday Cambodian Foreign Minister Prince Norodom Sirivut demanded that Chuan clarify Thailand's stand during his visit. The following day Cambodian commanders and UN officials reportedly alleged that the Khmer Rouge launched recent attacks from inside Thailand.

"The Khmer Rouge being pinned against the ropes is one thing, and attacking from Thailand is another," said Phalangkun.

"The Thai army commander in chief has made it clear that the Thai military is strictly complying with the government's policy of supporting only the legitimate government of Cambodia."

Thailand has never complained internationally about artillery shells landing on Thai soil as a result of fighting between Cambodian troops and the Khmer Rouge, added the army spokesman.

"Since last December, nearly 100 shells caused damage along the Thai border. Who should be responsible for that? Can Prince Norodom Sirivut answer that?"

He said the army has invited foreign journalists from two western news agencies to attend a briefing on Thai policy toward Cambodia.

Foreign Minister Prasong Sunsiri said the government has recognized and supported the legitimate Cambodian government since the 1991 Paris accords were signed.

Cambodian officials should be more careful when giving interviews to foreign journalists, because their reports could indirectly affect the promising relations between the two countries.

Prasong said the government wants reconciliation in Cambodia and he was distressed by allegations by Prince

Norodom Sirivut's demand—in comments to made to foreign reporters—that Chuan again clarify his position.

"If Cambodia cannot settle its internal affairs and bring about unity, its chances for accelerated development are not good.

"The Cambodian government's failure to wipe out the Khmer Rouge rebels has nothing to do with Thailand's involvement. Cambodia should not try to put the blame on its neighbour," the foreign minister said.

Prasong said Cambodian military leaders should not claim that Khmer Rouge guerrillas have launched attacks from Thai soil. He said people from both countries sometimes travel across the border without being properly checked by immigration officials.

"It's too easy to say that Khmer Rouge forces have been using Thai soil as a military base. The military would not allow such activity in Thai territory. The Cambodian government should back its claims with substantive evidence," he said.

"Relationships between the two countries will be on the agenda during Prime Minister Chuan's visit to Cambodia beginning tomorrow."

First Army Region commander Lt Gen Chettha Thanacharo said the Foreign Ministry and military have always supported the elected Cambodian government.

He said Cambodia should not rely on foreign press reports, which sometimes give the wrong impression that Thailand supported the Khmer Rouge.

"The two countries do not have any serious disagreement. I think we understand each other very well," Chettha said.

The military is in control along the border and will continue efforts to curb weapons smuggling.

Deputy Foreign Minister Surin Phitsuwan said Cambodian leaders should not doubt Thailand's support.

"Thai assistance to the Khmer Rouge was a thing of the past and not applicable to present political circumstances," he said.

He also said economic cooperation will be a top priority at talks during Chuan's visit.

Minister Defends Military, Businessmen

BK1101084394 Bangkok Radio Thailand Network in Thai 0530 GMT 11 Jan 94

[Text] Speaking to newsmen this morning at Government House on the strong reply of the Thai armed forces to Cambodian allegations on Thai support for the Khmer Rouge, Foreign Minister Squadron Leader Prasong Sunsiri said the reply will not cause Thai-Cambodian relations to deteriorate. This is because the clarification by the armed forces was straightforward for the purpose of achieving nutual understanding. The two countries will have to work together to solve their border problems.

Regarding the criticism by the Cambodian finance minister that Thai businessmen are not honest, the foreign minister said some businessmen, regardless of their nationalities, are not good. Thai businessmen were the first lot to risk their investment in Cambodia. Therefore, they should be viewed in a broad-minded manner.

Editorial on Cambodian Economy, Khmer Rouge Issue

BK1101104394 Bangkok MATICHON in Thai 11 Jan 94 p 2

[Editorial: "The Prime Minister's Visit to Cambodia"]

[Excerpts] Prime Minister Chuan Likphai will lead a delegation visiting Cambodia from 12 to 14 January. He will be accompanied by a group of businessmen from the private sector. [passage omitted] There is a political element to this visit. It concerns Thai-Cambodian relations as they relate to the Khmer Rouge issue.

There are trade and political issues that the prime ministers of both countries will have to thrash out and settle on good terms, in the spirit of compromise, and based on the principle of mutual interests. If each party merely tries to preserve its interests to the fullest, without thinking about good relations, problems between the two countries could blow up into a major conflict. Naturally, the Thai Government will try to protect the interests of businessmen investing in Cambodia, while the Cambodian Government has a duty to protect the interests of its people against exploitation by foreigners investing in Cambodia. This is why there will be a review of old contracts signed by the Cambodian Government. [passage omitted]

The Thai Government must make clear its sincere intention to help Cambodia in national development, especially economic and agricultural development. Thailand has enough potential to help Cambodia. We have people with expertise in agriculture, fishing, banking, investment, and industry. The Thai Government must make clear its sincerity in helping the Cambodian people develop their country. It must seek the Thai private sector's cooperation in not exploiting or taking advantage of the Cambodian people, as was the case with the chit fund that cheated the Cambodian people.

Anyway, a big problem between Thailand and Cambodia is the political issue of the Khmer Rouge. Although it is an internal Cambodian affair, the problem affects Thailand. On this issue, the prime minister should confirm to the Cambodian Government that Thailand no longer supports or recognizes the Khmer Rouge, because Cambodia now has an elected government that is recognized internationally. The situation has changed completely; the previous status of the four Cambodian factions has expired. Ever since the elections and the registration of political parties in Cambodia, the Thai Government has only recognized those parties that are registered under the Cambodian electoral system. The Khmer Rouge, therefore, is an illegal group.

Vietnam

Spokesman: SRV 'Prepared' for Rights Talks With U.S.

BK1101131594 Hong Kong AFP in English 1303 GMT 11 Jan 94

[Excerpt] Hanoi, Jan 11 (AFP)—Vietnam is prepared to hold talks with the United States about "certain problems" concerning human rights, a Vietnamese foreign ministry spokesman said Tuesday.

"Vietnam has told the United States that it is prepared to hold talks with the United States and other countries on problems of mutual concern, including human rights, on a basis of equality, mutual respect and non-interference in the internal affairs of each country," he said. [passage omitted]

Commentary: Clinton Must 'Solve' Embargo Issue

BK1101133394 Hanoi Voice of Vietnam in English 1000 GMT 11 Jan 94

[Station commentary]

[Text] Six delegations of the United State Congress and large American companies are expected in Vietnam during the first two weeks of January. Currently, a delegation of the U.S. Senate Energy and Natural Resources Commission [as heard] is in Hanoi. Here is our radio editor's opinion:

From now to the middle of January, five United States delegations will come to Vietnam. They will represent large United States companies such as IBM and General Motors, and include the delegation of the Defense Subcommittee of the United States Senate, a delegation of the Asia-Pacific Subcommittee of the U.S. House of Representatives led by Russell Wilson, a delegation under Senator John Kerry, and a delegation led by Admiral Charles Larson, commander-in-chief of the U.S. Asia-Pacific command.

According to Western news agencies, the delegations will visit Vietnam to find out possibilities of cooperation and for a precise assessment of the renovation process in Vietnam. Through their visits, they expect to make a recommendation to President Clinton to remove the 20-year-long economic embargo against Vietnam.

United States Senator Bennett Johnston, head of a delegation from the U.S. Senate Energy and Natural Resources Commission, last Saturday [8 January] called on the United States President to remove the embargo. He said in Hanoi that it was time to close the door on the past and move toward normalizing of relations and cooperation. Speaking to a REUTERS correspondent in Hanoi, he hoped the U.S. President would quickly remove the sanction against Vietnam.

Senator Don Nickles, a Republican Party member of the same delegation, also said he wants the United States President to lift the embargo.

The voice of the United States politicians demanding the lifting of the embargo will become stronger in 1994. The American delegations to visit Vietnam in the coming days will surely have the same voice as the delegation of Senator Johnston.

It is an issue President Clinton has to consider and solve.

Foreign Minister Receives U.S. Senate Delegation

BK1101123794 Hanoi Voice of Vietnam in English 1000 GMT 11 Jan 94

[Text] A 30-member delegation representing [word indistinct] American company has arrived in Vietnam to inquire into the possibilities of investment in Vietnam, particularly in construction and infrastructure.

Meanwhile, a delegation of the U.S. Senate Defense Subcommittee headed by Senator Daniel [name as heard] on Monday [10 January] met with Foreign Minister Nguyen Manh Cam and officials of the State Committee for Cooperation and Investment and the Defense Committee of the National Assembly. The two sides discussed medical, commercial, and security matters concerning both countries.

Assembly Issues Anticorruption Resolution

BK1001131994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jan 94

[National Assembly's resolution on the practice of thrift and efforts to oppose waste, corruption, and smuggling adopted by the Ninth National Assembly's Fourth Session in Hanoi on 30 December 1993]

[Text] I. On the recommendation of the government, the Supreme People's Court, and the Supreme People's Organ of Control; and based on the Nationalities Council's investigative report, the National Assembly Committees' viewpoints, and the ideas of voters nationwide on the struggle against corruption, smuggling, and waste, the National Assembly noted the following: These social vices have developed to a serious degree, thereby corrupting a segment of cadres and state personnel, adversely effecting social order and safety, creating indignation among the public, and diminishing the people's confidence in our regime. [passage omitted]

II. The government must fully exercise its authority and function as prescribed by the law. It must formulate the concrete lines and key measures to:

1. Amend, supplement, and promulgate lines and policies on improving the management mechanism to suit

the reality, enhancing the effectiveness of state management work and helping weak establishments to overcome waste, setbacks in production, and damage to the people's interests.

In amending policies, improving the management mechanism, and strengthening the implementation of tasks, special attention must be paid to areas that encourage corruption and waste causing great losses to state property. These include such areas as capital construction, land and house management, budget allotment, taxes and customs, banking, export-import, and project examination. Efforts must be made to promulgate rules and regulations to step by step eliminate the system of management by ministries and the administration as well as prejudice between central and local enterprises. Efforts must also be made to strengthen state management function at production and business establishments; rearrange business activities at state-run agencies, mass organizations and societies; and supplement and perfect expenditure regulations for state-run enterprises and mass organizations and societies in line with the reality, while promoting saving and motivating the people to practise thrift, especially during the Lunar New Year celebrations.

2. Efforts must be made to perfect the organization of state agencies, train a contingent of competent cadres, and expel from state apparatuses various degenerate elements who are involved in corruption and smuggling. We must take due action against heads of agencies and units who ignore law violations in their areas of responsibility. We must strengthen and perfect the measures against corruption and smuggling from the central to local levels, purify the contingent of cadres, and assign capable and prestigious cadres to agencies to enhance their efficacy.

3. We must provide close guidance and strengthen the control and investigation work at various state-run agencies and enterprises to promptly detect and stop such practices as influencing authority, embezzlement, extortion, corruption, smuggling, helping smugglers, misappropriation of public funds, wastage, and causing losses to state property and the people's interest.

Those who violate the law in the ways previously mentioned will be seriously dealt with in accordance with the law, regardless of their authority and position. Those who are found guilty must pay a full compensation to the public fund or to the persons concerned. Drastic measures must be taken against those who provide protection for criminals, or those who used their authority to settle cases of violation in their organization when the evidence was sufficient for a court trial. Measures must be taken to protect those who detect and denounce illegal acts.

4. Efforts must be made to formulate concrete plans to guide and supervise various sectors and echelons to effectively carry out this resolution.

III. The Supreme People's Court, the Supreme People's Organ of Control, and various government law enforcement agencies must carry out the following tasks:

1. Perfect the organization and training of cadres so as to make them genuinely strong and capable, expel degenerated elements from law enforcement agencies, and enhance the quality and capability of cadres and state personnel;

2. Closely coordinate with other agencies to strengthen law enforcement work, promptly detect and deal severely with crimes and criminals, especially serious cases that cause great loss to the state and people's property, including the pending cases.

IV. The National Assembly's Standing Committee must strengthen its supervision in the promulgation of essential decrees and resolutions. It is imperative for the National Assembly to promulgate the resolution on coordination procedures between state agencies in order to organize the movement to promote thrift and oppose waste, corruption, and smuggling.

The Nationalities Council and other National Assembly Committees must formulate plans to implement resolutions in accordance with their functions and duties as prescribed by the law.

National Assembly delegations and deputies, the People's Councils, and People's Councillors at various echelons must exercise their function and duty of supervising various state agencies at the central level and in the provinces to satisfactorily implement this resolution. National Assembly deputies and the echelons of People's Councils must set a good example in carrying out their tasks and activities.

V. The National Assembly requests the Vietnam Fatherland Front, mass organizations and societies to motivate the people to develop their master role, promote thrift, and oppose corruption and smuggling. They must participate in and supervise the movement to oppose violation of the law while heightening vigilance to foil the enemy's schemes and tactics against this movement. Various mass media agencies must satisfactorily carry out the propaganda work, commend good deeds and denounce negative practices, contribute to detecting acts of law violation, train a contingent of competent journalists, and present accurate news and information.

The National Assembly charged the Prime Minister, the Chief Judge of the Supreme People's Court, and the Chief Procurator of the Supreme People's Organ of Control with the task of organizing the implementation of this resolution. Efforts must be made to launch a campaign to promote thrift and oppose waste, corruption, and smuggling among the people in society. Periodical reports must be filed to the National Assembly's Standing Committee on the results of the implementation of this resolution. [passage omitted]

This resolution was adopted by the SRV Ninth National Assembly's Fourth Session on 30 December 1993.

[Signed] National Assembly Chairman Nong Duc Manh

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